

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
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FOI/PA# 1347027-0

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Page 70 ~ Duplicate;  
Page 83 ~ Duplicate;  
Page 97 ~ Duplicate;

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FEDERAL BUREAU OF INVESTIGATION  
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SAC, Atlanta

February 19, 1953

Director, FBI (60-New)

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60-4325-1  
NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

There are attached two copies of a self-explanatory memorandum dated February 17, 1953, from the Antitrust Division requesting the interview of Harry W. Belfors, Atlanta, together with a letter addressed to Belfors requesting his cooperation in this investigation.

Atlanta is office of origin. Documents obtained from Belfors are to be forwarded to the Bureau for transmittal to the Antitrust Division. Belfors should be advised that this investigation is being conducted at the specific request of Acting Assistant Attorney General Edward P. Hodges of the Antitrust Division.

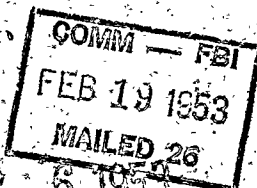
As indicated in the Antitrust Division memorandum, Belfors should be requested to furnish any information indicating investigative leads bearing upon the allegation that National Linen Service Corporation has monopolized the linen service industry. No leads should be set out by your office but all the information developed should be submitted in a pending report in order that the Antitrust Division can thereafter determine whether further investigation is desired.

This matter should receive immediate attention and a report reflecting the completion of the investigation should be submitted to reach the Bureau not later than March 11, 1953.

Attachment

JKP:ige

Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Laughlin  
Mohr  
Winterrowd  
Tele. Rm.  
Holloman  
Gandy



MAR 6 1953

FEB 17 1953

Harry Belfors, Esq.  
179 Washington Street, S.W.  
Atlanta, Georgia

Dear Mr. Belfors:

In connection with an investigation by this Department of alleged violations of the federal antitrust laws with respect to the linen supply industry, it is requested that you make available for examination by the bearer, an agent of the Federal Bureau of Investigation, such of your files as he may request.

Your cooperation in this investigation will be very much appreciated.

Sincerely yours,

EDWARD P. HODGES  
Acting Assistant Attorney General

ENCLOSURE

60-4325-1



## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

DATE:

FROM : Edward P. Hodges, Acting Assistant Attorney General,  
Antitrust Division

File: 60-202-18

SUBJECT: Preliminary Investigation of National Linen Service  
Corporation and the Linen Service Industry in the South.

Mr. Ladd	
Mr. Nichols	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Mr. Gandy	
Tele. Room	
Mr. Holloman	
Mr. Sizoo	
Miss Gandy	

Harry W. Belfors, an attorney of 179 Washington Street, S.W., Atlanta, Georgia, attorney for minority stockholders of Atlanta Laundries, Inc., has furnished this Division with the information herein contained. This information indicates that the federal antitrust laws may have been and are continuing to be violated by the National Linen Service Corporation, its officers, some of its stockholders and others. Mr. Belfors submitted fifteen documents hereinafter summarized in paragraph II, to support his claims. He is in possession of many more documents and more detailed information. Preliminarily, such documents and information should be obtained in order to permit us to determine whether a full scale investigation of the linen service industry in the South should be undertaken. This preliminary investigation is hereby requested.

## I. THE FACTS

The linen service industry is composed of firms that loan towels, sheets, coats, and other linens, collect them after use, relaunder them and then redistribute them regularly. The allegation is that the National Linen Service Corporation monopolizes this industry in the South and because it has monopoly power practices restraints upon the few small competitors that remain in the industry.

National Linen Service Corporation maintains its main office in Atlanta, Georgia. It operates 45 plants in ten southern states, Georgia, North Carolina, Texas, Alabama, South Carolina, Tennessee, Florida, Kentucky, Louisiana and Virginia, and in California. Plants for the manufacture of the linens, coats and for even soap and laundering machinery used in all of the states served, are maintained in Atlanta. The books and records of the company are maintained in Atlanta, all banking is done from there, and the executives of the company operate therefrom.

The company's 1952 annual report indicates that in the year ending 8-31-52 its net service sales amounted to \$31,395,083.06; that the company employs over 8,000 persons, and that the Wichita Falls, Texas, plant, one of two new ones, serves cities in Oklahoma as well as Texas.

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B. R. [Signature]  
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2-4-53  
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gkx

On November 15, 1927 I. M. Weinstein, J. B. Jacobs and A. J. Weinberg organized Southern Linen Supply Corporation. By their stock ownership, the three men named controlled this corporation.

On January 16, 1928 Atlanta Laundries, Incorporated was organized by the merging of ten competing laundries, namely, American, Becks Steam, Capital City, Excelsior, Guthman, French Dry Cleaning-Mays, Piedmont, Service Laundry Co.-Peerless, Trio, and Knight's Decatur. These laundries were apparently prosperous ones.

Immediately after the formation of Atlanta Laundries, Inc., its officials entered upon a plan to acquire competing laundries.

On August 29, 1928 National Linen Service Corporation was formed by the merger of Southern Linen Supply Corporation, and the linen supply unit of Atlanta Laundries, Inc. and the linen supply unit of Laundry and Dry Cleaning Service, Inc.

It should be noted that B. C. McClellan was Chairman of the Board of National Linen until his recent death. He was followed in that position by Sidney W. Souers, who now holds the post. I. M. Weinstein is and has been president of the company, J. B. Jacobs, Executive Vice President, A. J. Weinberg, Vice President-Treasurer, George W. Robinson, Secretary of the Finance Committee. All these men are and have been directors of the company since its organization.

Mr. Belfors claims that because National Linen Service Corporation has monopolized the linen service industry in the states it does business it has been able to charge any sums it has chosen to charge for its service. It has increased charges regularly even though written contracts calling for specific charges were still in full force. A few years ago Rich's Dept. Store of Atlanta was so treated. It, therefore, induced three former employees of National Linen to go into business under the name of Apex Linen Supply Co. and promised Apex its business. As a result, Apex is now a competitor, although small, of National Linen in Atlanta. The mother of the Cohen boys who own and operate Apex informed Mr. Belfors that her sons were recently offered \$350,000 by National Linen for their business despite the fact that its capital is only \$50,000.

Mr. Belfors said that there are only two other small competitors of National Linen in the Atlanta area, Independent Linen Supply Co. and Fulton Linen Supply Co.

Mr. Belfors contends that Independent, Fulton and Apex, by agreement with National Linen, maintain the same charges as National Linen. Mr. Belfors claims that the agreement was entered into because of the threat by National Linen to put these small companies out of business by price wars and other restrictive practices if they would not agree to price maintenance.

Mr. Belfors claims that in 1950, as window dressing, an official of Oglethorpe University was placed on the Board of Directors of Atlanta Laundries, Inc. He, in turn in September 1950 obtained the employment as President of Atlanta Laundries, Inc., W. S. Erwood, who had previously been associated with the Riverside Laundry and Linen Supply Co. of Miami, Florida. Mr. Erwood proceeded to and did spend \$60,000 to equip Atlanta Laundries, Inc. to enter the profitable linen supply business. When the directors and stockholders learned of this, they vetoed the plan because it meant competition for National Linen. They however voted \$400,000 to increase the laundry business of Atlanta Laundries, Inc. Thereafter, February 1951 Erwood resigned and went back to Riverside in Miami, and Tom L. Elvins, now of Atlanta, took over. He lasted only six weeks because he too wanted Atlanta Laundries Inc. to enter the linen service business. H. A. Spencer, the present president, was elected on April 22, 1952. His first act was to offer to purchase treasury stock at \$10 a share, far less than its worth, and to negotiate a loan of \$200,000 to retire at \$50 a share, the First Preferred Stock and Second Preferred Stock. The loan bore interest payable monthly and was secured by a mortgage on all of the properties of Atlanta Laundries, Inc. A supplemental agreement was made, Belfors learned, whereunder the mortgagees obtained the right to take over the mortgaged property without formal foreclosure proceedings, immediately upon default in payment of any monthly interest payment.

Mr. Belfors pointed out that there was no necessity to retire the preferred stock and undertake monthly interest payments. He claims that it was done to create a loan that would be secured by a mortgage that could be foreclosed, thus permitting the sale to National Linen of the linen service facilities of Atlanta Laundries, Inc., now lying idle, and thus effectively eliminating the possible competition of Atlanta Laundries, Inc. in the linen service business.

Mr. Belfors claims that the foreclosure is imminent.

## II. DOCUMENT<sup>s</sup> SUBMITTED

At a conference in Washington on January 21, 1953, Mr. Belfors submitted to this office copies of the following documents:--

1. The 1952 annual report of National Linen Service Corp.
2. Part of the 1949 annual report of National Linen Service Corp. which showed that Atlanta is the "nerve center" of its coast-to-coast operations.
3. Certificate of Incorporation of Atlanta Laundries, Incorporated. Mr. Belfors inadvertently took this document with him and should be asked to return it.

4. One of eight similar contracts dated November 16, 1927 whereby property of each of ten competing laundries were sold to George W. Robinson, nominee for Atlanta Laundries, Inc., about to be formed.
5. Letter dated November 14, 1928 showing the relationship between Sidney W. Souers, of the Canal Bank and Trust Company, New Orleans, and B. C. McClellan, a laundry executive who became Chairman of the Board of Atlanta Laundries, Inc.
6. Photostatic copy of a newspaper account appearing in the Atlanta Journal of January 15, 1928 reporting the merger of the ten competing laundries into Atlanta Laundries, Inc. This states that Mr. McClellan "is president of a laundry consolidation in New Orleans."
7. An accountant's report made from "Information Obtained from Final Income-Tax Calculations" of eight of the companies merged in Atlanta Laundries, Inc., showing the capital, income and expenses of each from 1923 to 1927.
8. Certificate filed (apparently in 1927) with the Secretary of State of Delaware, wherein Southern Linen Supply Corporation was organized, showing the date of incorporation, the names of the officers and other organization information.
9. Undated statement showing the stock ownership in Southern Linen Supply Corporation.
10. Letter dated January 27, 1928 from Herbert J. Haas, counsel for Atlanta Laundries, Inc., sent to B. C. McClellan, at the request of George H. Fauss, its president, advising that the executive committee had decided against taking up an option to purchase the Liberty Laundry. At the end thereof, there is an indication that a copy was sent to George W. Robinson. Mr. Robinson wrote on the face of the letter, at the top "We may buy this at a Sheriff's sale G.W.R." Mr. Souers apparently wrote thereunder "Yes Souers."
11. Certified copy of a petition filed in U. S. District Court, Northern District of Georgia, Atlanta Division, in National Linen Service Corporation vs. J. T. Rose, Collector of Internal Revenue, No. 1524, At Law, showing that National Linen Service Corp. had on September 1, 1928, acquired all of the assets of (1) Southern Linen Supply Corp., (2) the linen supply unit of Laundry and Dry Cleaning Service, Inc. of New Orleans, and (3) the linen supply unit of Atlanta Laundries, Inc.

12. Certificate of Incorporation of National Linen Service Corp.
13. Copy of an agreement to form National Linen Service Corporation in which a Voting Trust was set up so that the stock would be controlled by the officials of the company as voting trustees. This voting trust was for a ten year period with the right to extend it for a further period of ten years. Mr. Belfors failed to find the document when here but said he would mail it. It has not arrived. It should be obtained from him.
14. Unsigned copy of "Covenant to Dismiss, Covenant not to sue, and supporting resolution" dated March 22, 1949 ending litigation brought by Atlanta Laundries, Inc. and Laundry Dry Cleaning Service, Inc. as a result of a diversion of its stock in National Linen Service Corp. by B. C. McClellan, George H. Fauss, T. A. Martin and Arthur I. May. The estate of George H. Fauss paid \$52,000 and T. A. Martin paid \$11,000 to end the suit. A cause of action against B. C. McClellan and others was reserved.
15. Notice dated May 1, 1952 to its First Preferred Stockholders, Second Preferred Stockholders, and Common Stockholders by Atlanta Laundries, Inc. signed by H. A. Spencer, its Secretary, announcing negotiations for a \$200,000 loan, to be secured by a first lien on the lands, building, machinery and equipment of the company, in order to redeem the First Preferred Stock and Second Preferred Stock, and also announcing an offer by Spencer and his associates to purchase up to 8000 shares of unissued Common Stock at \$10 per share.

### III. NATURE OF VIOLATIONS

The foregoing facts indicate violations of the antitrust laws by National Linen Service Corporation in that:

1. It monopolizes or attempts to monopolize the linen service business in the states in which it does business.

2. It has eliminated or planned to eliminate competition.

- (a) by acquisition of competitors;
- (b) by engaging in price wars;
- (c) by conspiring to obtain the linen service business of competitors by obtaining their machinery, equipment and assets at sheriff or foreclosure sales.

3. It has conspired with its officers, directors and some of its stockholders, and also with remaining competitors to fix prices and to allocate customers and territories.

#### IV. INVESTIGATION REQUESTED.

Mr. Belfors should be interviewed at his office at 179 Washington Street, S.W., Atlanta, Georgia, and asked to

- 1. elaborate and give as many details as possible on the information given to Samuel Flatow, of this office, on January 21, 1953;
- 2. submit additional documents to show that National Linen Service Corporation violated and is violating the federal antitrust laws in manners and as hereinabove outlined in paragraph III.

Mr. Belfors has been interested in this matter for many years and has accumulated a file of many documents not only in support of his claims of antitrust violations by National Linen Service Corporation but in support of his claims of violations of other criminal and civil statutes by that concern. It is, therefore, of the utmost importance that Mr. Belfors be restricted in this preliminary investigation to substantiation of his claim of antitrust violations only. He should be requested to show in detail the significance and relevancy to the anti-trust issues of each document.

Mr. Belfors should also be in position and asked to furnish us with information and leads to show that National Linen Service Corporation has indulged in monopolization and restrictive practices not only in Georgia but in Louisiana and in all the states in which it does business.

This case is in charge of Samuel Flatow, Room 3237, Department of Justice, Washington, D. C., who is available for any further information or instructions required by the F.B.I. herein.

3-10-53

AIRTEL VIA AIRMAIL

SAC, ATLANTA (60-149)

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NATIONAL LINEN SERVICE CORPORATION, ETC, ANTITRUST. REURAIRTEL MARCH  
NINE. CLEARLY SET OUT IN REPORT THE FACT THAT BELFOR RECOMMENDS INTER-  
VIEWS WITH OTHER PERSONS MENTIONED IN REAIRTEL BUT DO NOT CONDUCT SUCH  
INTERVIEWS PENDING DEPARTMENT'S ANALYSIS AND REQUEST FOR FURTHER  
INVESTIGATION. EXPEDITE REPORT.

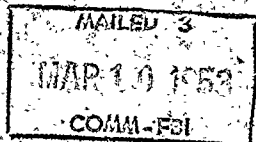
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HOOVER

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*LRF*

JKP:ush *ush*

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
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Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_



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FBI  
RECEIVED CIVIL RIGHTS

*2* MAR 18 1953

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

FD-36
Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Tele. Room
Mr. Holloman
Mr. Nease
Miss Gandy

Transmit the following Teletype message to:

FBI, ATLANTA

3/9/53

JDW:LL

60-149

DIRECTOR, FBI

AIR-TEL

NATIONAL LINEN SERVICE CORPORATION, ETC., ANTITRUST. REBUTEL TO

ATLANTA THIS DATE. INTERVIEW WITH HARRY W. BELFOR AND EXAMINATION OF RECORDS CONTINUING. ESTIMATED TEN MORE WORKING DAYS WILL BE REQUIRED TO PHOTOGRAPH RECORDS AND CORRELATE INFORMATION INTO REPORT. BELFOR REQUESTS THAT B. A. KESLER, FORMERLY SUPERVISOR OF ROUTE MEN, ATLANTA LINEN SUPPLY CO., A BRANCH OF NATIONAL LINEN CORPORATION, NOW EMPLOYED BY BEST LAUNDRY AND CLEANERS, ATLANTA, AND RUSSELL BAKER, FORMERLY ASSOCIATED WITH ATLANTA LAUNDRY COMPANY, ATLANTA, UNTIL NINETEEN FORTYSIX, WHO HELD EVERY POSITION WITH THE COMPANY DURING THAT PERIOD, BE INTERVIEWED. BELFOR STATES EACH IS WILLING TO BE INTERVIEWED AND BOTH HAVE PERTINENT CURRENT INFORMATION RE THIS CASE, WHICH HE STATES WILL SUPPLEMENT HIS INFORMATION AND WHICH WILL PROVIDE ADDITIONAL POSITIVE EVIDENCE OF VIOLATIONS OF ANTITRUST STATUTES AND WHICH WILL BE OF VALUE TO THE DEPARTMENT IN CONSIDERING POSSIBLE PROSECUTION. REQUEST ATLANTA OFFICE BE ADVISED AT EARLY DATE IF DEPARTMENT DESIRES THE ADDITIONAL INTERVIEWS BE CONDUCTED AND REPORTED IN CONJUNCTION WITH INFORMATION FURNISHED BY BELFOR.

WEATHERFORD.

END.

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MAR 10 1953  
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Approved: \_\_\_\_\_

Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_



3-9-53

TELETYPE

SAC, ATLANTA

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60-4325-3  
URGENT

NATIONAL LINEN SERVICE CORPORATION, ETC., ANTITRUST. REURAIRTEL MARCH SEVEN LAST. ATTORNEY FLATOW, ANTITRUST DIVISION, OUT OF CITY. HIS SUPERIOR REQUESTS THAT INTERVIEW OF BELFOR BE COMPLETED AND COPIES OF ALL PERTINENT DOCUMENTS HE HAS BE OBTAINED. INTERVIEW OF BELFOR SHOULD BE THOROUGH IN ORDER TO PERMIT ANTITRUST DIVISION INTELLIGENTLY TO REVIEW THIS MATTER AND DETERMINE NECESSITY FOR FURTHER CONFERENCE WITH HIM OR ADDITIONAL INVESTIGATION. COMPLETE INVESTIGATION AND SUREP IMMEDIATELY.

HOOVER

G.I.R.S.

JKP:ushllor

Contents of Atlanta airtel discussed with section chief Victor H. Kramer, Antitrust Division, in absence of Attorney Samuel Flatow. Mr. Kramer requested interview of Belfor be completed as originally requested.

*[Handwritten signatures and initials: JKP, B, R, etc.]*

COPIES DESTROYED  
36 APR 10 1970

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
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MAR 9 1953

TELETYPE

- Tolson
- Ladd
- Nichols
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Laughlin
- Mohr
- Winterrowd
- Tele. Rm.
- Holloman
- Gandy

MAR 18 1953

*[Handwritten signature]*

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

A M S D

Transmit the following Teletype message to:

FBI, ATLANTA

3/7/53

JDM:ml

60-149

DIRECTOR.....

AIR-TEL

① NATIONAL LINEN SERVICE CORPORATION, LINEN SERVICE INDUSTRY IN THE  
SOUTH, ANTITRUST. REBULET TO ATLANTA FEBRUARY 19, 1953. HARRY  
W. BELFOR, ATLANTA, INTERVIEWED, AND ADVISES SEVERAL FULL DAYS  
INTERVIEW REQUIRED TO FURNISH FACTS AND EXPLAIN DOCUMENTS SUPPORTING  
ALLEGATIONS. BELFOR STATES SAMUEL FLATOW OF THE DEPARTMENT ALREADY  
CONVERSANT WITH MATTER. ADVISES HE IS WILLING TO HAVE CONFERENCE  
WITH FLATOW IN WASHINGTON, AND PROVIDE ADDITIONAL VOLUMINIOUS DOC-  
UMENTARY PROOF TO SUPPORT COMPLAINT WHICH DOCUMENTARY PROOF WAS NOT  
AVAILABLE AT TIME OF CONFERENCE WITH FLATOW IN WASHINGTON JAN. 21,  
1953. BELFOR STATES CONSIDERABLE TIME AND EFFORT CAN BE SAVED IN  
SUCH CONFERENCE WITH FLATOW AS IT IS NOW NECESSARY TO START FROM  
BEGINNING WITH THE DETAILS THIS MATTER, WHICH DATE BACK TO 1928.  
BELFOR ALSO STATES NEW DEVELOPMENTS HAVE OCCURRED IN PAST TWO  
DAYS TO FURTHER SUPPORT COMPLAINT. THE BUREAU IS REQUESTED TO  
CONTACT FLATOW REGARDING BELFOR'S DESIRES RE CONFERENCE WITH HIM TO  
FURNISH FIRSTHAND INFO. AND EXPEDITE HANDLING OF SAME. SUTEL  
FLATOW'S DESIRES BY MONDAY MORNING MARCH NINE NEXT AS BELFOR

INTERVIEW SCHEDULED TO CONTINUE AT ATLANTA OFFICE TEN AM THIS

DATE

END

Approved

Special Agent in Charge

Sent \_\_\_\_\_ M

Per \_\_\_\_\_

Mr. Tolson \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Harbo \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Egan \_\_\_\_\_  
Mr. Gurnea \_\_\_\_\_  
Mr. Hendon \_\_\_\_\_  
Mr. Pennington \_\_\_\_\_  
Mr. Quinn Tamm \_\_\_\_\_  
Mr. Nease \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

6-8-1  
2-6-1

B

9:25 AM 3/19/53  
Flatow out of town.  
10:10 PM 3/19/53  
K requests  
W interview  
W complete  
HJ

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WEATHERFORD 30

60-4325  
MAR 11 1953

3/19/53  
AT 13  
HJ

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Mr. Tolson	ED-36
Mr. Ladd	
Mr. Nichols	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Mr. Gandy	

*Polk*

FBI ATLANTA

3-12-53

Transmit the following Teletype message to:

DIRECTOR, FBI

AIRTEL

① NATIONAL LINEN SERVICE CORP., ETC., ANTI TRUST. RE ATLANTA AIRTEL

TO BUREAU MARCH NINE LAST. FOLLOWING CONFERENCE WITH HARRY W. BELFOR

TODAY BELFOR REQUESTED FURTHER INTERVIEW THIS MATTER BE TEMPORARILY

HELD IN ABEYANCE UNTIL MARCH TWENTYFOUR NEXT BECAUSE OF HEALTH AND  
PRESSING BUSINESS RE MEETING OF STOCKHOLDERS OF ATLANTA LAUNDRIES, INC.,

MARCH TWENTYTHREE NEXT.

WEATHERFORD

END

JDW:jjd

60-1149

*G. I. H. 3*

**AIR MAIL**

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*60-4325-4*

MAR 16 1953

*14*

*WR*

Approved: \_\_\_\_\_

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Per \_\_\_\_\_

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*1167*  
**62 MAR 23 1953** Special Agent in Charge

3-24-53

AIRTEL

VIA AIR MAIL

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SAC, ATLANTA

NATIONAL LINEN SERVICE CORPORATION, ETC., ANTITRUST. REURAIRTEL

MARCH TWENTYTHIRD. COMPLETE THE INTERVIEW OF BELFOR AND OBTAIN

ALL INFORMATION IN HIS POSSESSION WITHOUT FURTHER DELAY. ADVISE

BY RETURN AIRTEL DATE REPORT WILL BE SUBMITTED AND NAME OF

REPORTING AGENT. EXPEDITE.

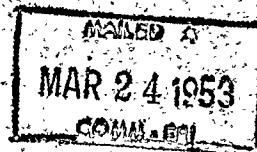
HOOVER

JKP:USH

G. I. R. -8

*JKP*  
*LRD*

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
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Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_



63 APR 2 1953

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

FD-36  
Mr. Tolson \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Harbo \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Gearty \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Holloman \_\_\_\_\_  
Mr. Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

Transmit the following Teletype message to:

FBI ATLANTA 3-23-53 JDW:LCH 60-1149

DIRECTOR, FBI

AIRTEL

NATIONAL LINEN SERVICE CORPORATION, ETC, ANTITRUST. RE ATLANTA

AIRTEL TO BUREAU MARCH TWELVE LAST. HARRY W. BELFOR ADVISED TODAY INTENDS TO FILE CIVIL ANTITRUST SUIT IN USDC ATLANTA, GA., AGAINST NATIONAL LINEN SERVICE CORP. FOR TRIPLE DAMAGES AND REASONABLE ATTORNEY FEES IN WHICH WILL ALLEGE ORGANIZERS CONCEIVED SCHEME TO ESTABLISH AND MAINTAIN MONOPOLY OF LINEN BUSINESS. BELFOR NOW STATES INFORMATION PREVIOUSLY FURNISHED THIS MATTER IS OLD, OBSOLETE AND SECONDHAND IN VIEW OF DEVELOPMENTS AT MEETING OF STOCKHOLDERS, ATLANTA LAUNDRIES, INC., TODAY. BELFOR STATED HAS ADVISED OFFICERS ATLANTA LAUNDRIES INC. AND OTHERS HAS MADE FACTS IN THIS MATTER IN HIS POSSESSION KNOWN TO DEPARTMENT AND FBI. STATES INTENDS TO WRITE LETTER TO DEPARTMENT MARCH TWENTY-FOUR FIFTYTHREE EXPLAINING CURRENT DEVELOPMENTS AND HIS POSITION. COPY OF BELFOR LETTER TO BE OBTAINED AND WILL BE IMMEDIATELY FORWARDED TO BUREAU. FURTHER INTERVIEW OF BELFOR BEING HELD IN ABEYANCE PENDING FURTHER INSTRUCTIONS FROM BUREAU.

WEATHERFORD

END

AIR

MAIL

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MAR 24 1953

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Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

FROM : SAC, Atlanta (60-149)

AIR MAIL

DATE: March 27, 1953

SUBJECT: NATIONAL LINEN SERVICE  
CORPORATION, ETC.  
 ANTI - TRUST

G. I. R. 3

69-8-1

Reference Bulet to Atlanta 2-19, Atlanta airtel to Bureau 3-7, Bureau teletype to Atlanta 3-9, Atlanta airtel to Bureau 3-9, Bureau airtel to Atlanta 3-10, Atlanta airtel to Bureau 3-12, Atlanta airtel to Bureau 3-23, Atlanta let to Bureau 3-24, Bureau airtel to Atlanta 3-24-53.

Referenced Bureau letter to Atlanta 2-19-53, to which was attached a copy of Departmental Memorandum to the Director dated 2-17-53 requested that HARRY W. BELFOR, complainant in this matter, be interviewed in connection with information previously furnished to the Department.

This case was immediately assigned to SA J. BOYLE WILLIAMS upon receipt of the above communication.

~~EXEMPTED FROM~~

HARRY W. BELFOR was contacted and he advised he desired to be interviewed in the Atlanta Office and that he would be available for interview on March 5, 1953, and on a day to day basis thereafter business permitting until all information in his possession had been made available to this office.

On March 5, 1953, BELFOR appeared at the Atlanta Office with B. A. KESLER, who had accompanied BELFOR at BELFOR's request. KESLER is former supervisor of route men of the Atlanta Linen Supply Company, a branch of National Linen Service Corporation, who now is employed by Best Laundry and Cleaners, Atlanta, Georgia. KESLER, according to BELFOR, is willing to furnish pertinent information concerning the operations and activities of National Linen Service Corporation and can point up specific instances wherein operations of the Corporation are believed to violate the Anti-Trust laws.

KESLER did not remain during the ensuing initial interview with BELFOR, however, indicated he would be available at a later date for interview should information concerning this matter be requested of him.

BELFOR stated he had been ill since early January, 1953 and was not in good physical condition, however, desired to furnish the information requested and to do whatever he could to present the complete facts as he knew them.

Memo sent Anti-trust  
 JDW:jjd

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JHP

6-24-53

To support his remarks, BELFOR stated the three brief cases and suit cases he had brought with him contained most of the documents, writings and supporting papers he had accumulated over a period of years in this matter. BELFOR insisted he could not properly apprise the interviewing Agent of the pertinent ramifications of the probable violations of the Anti-Trust laws without starting at the beginning of the facts which dated back to 1927 or 1928 and that several full days interview would be required to furnish all the facts and to explain each document. BELFOR pointed out in this regard that some of the information requested of him and documents to support same were not in his possession inasmuch as a large number of documents had been turned over to the U. S. Attorney, J. ELLIS MUNDY, Atlanta, Georgia in June, 1952 immediately prior to his departure for Washington, D. C. to transmit personally to the Department for him. He stated the Department advised him on the occasion of his visit with Mr. SAMUEL FLATOW of the Department on or about January 21, 1953, that these documents were not in the possession of the Department.

The above records following the initial interview with BELFOR were subsequently located in Mr. MUNDY's Office and the entire file made available to the Atlanta Office.

On March 7, 1953, BELFOR advised that Mr. FLATOW was already conversant with this case and expressed a desire and willingness to have a conference with Mr. FLATOW in Washington, D. C. and provide additional pertinent documentary proof to that previously furnished to the Department to support original allegations which he did not have in his possession at the time of the original interview with Mr. FLATOW on January 21, 1953.

The above information was furnished to the Bureau in referenced airtel March 7, 1953.

On March 9, 1953, BELFOR requested that B. A. KESLER and RUSSELL BAKER, formerly associated with Atlanta Laundry Company, Atlanta, Georgia, be interviewed. BELFOR stated both were willing to be interviewed and that they had current pertinent information relative to this case which he stated would supplement his information and would provide additional positive evidence of violations of Anti-Trust statutes. At BELFOR's insistence, the Bureau was advised by airtel March 9, 1953 of his request that the above individuals be interviewed.

On March 12, 1953, BELFOR requested further interview be temporarily held in abeyance until March 24, 1953 for health reasons and because of pressing business that required his attention before a meeting of stockholders of Atlanta Laundries, Inc., Atlanta, Georgia on March 23, 1953. This information was furnished to the Bureau by airtel March 12, 1953.

AT 60-149

On March 23, 1953, BELFOR contacted the Atlanta Office and stated that as a result of developments at the meeting of stockholders of the Atlanta Laundries, Inc., he intended to file a civil Anti-Trust suit in the U. S. District Court, Atlanta, Georgia, against National Linen Service Corporation for triple damages and reasonable Attorney fees in which he had alleged that organizers of National Linen Service Corporation conceived a scheme to establish and maintain a monopoly of the linen business. BELFOR also stated that information previously furnished to this office in this matter is old, obsolete and second hand in view of developments at the meeting of stockholders. BELFOR stated he had advised officers of Atlanta Laundries, Inc. and other persons that he had made facts in this matter in his possession known to the Department and to the FBI. He stated he intended to write a letter to the Department on March 24, 1953, explaining current developments.

This information was furnished to the Bureau by airtel March 23, 1953. Later on the above date BELFOR again contacted the Atlanta Office and requested the documents contained in the file of U. S. Attorney J. ELLIS MUNDY being retained at that time by this office, be forwarded to the Department. BELFOR contacted U. S. Attorney MUNDY in this regard and requested him to authorize and instruct this office to forward the above file to the Department.

On the same date Mr. MUNDY telephonically contacted this office and advised of BELFOR's call and requested the file be forwarded to the Department in line with BELFOR's request inasmuch as the entire file consists of material originally furnished to him by BELFOR. In accordance with Mr. MUNDY's authorization and request, the file was forwarded to the Bureau for transmittal to the Department on March 24, 1953.

By airtel to the Atlanta Office March 24, 1953, the Bureau instructed that the interview with BELFOR be completed and all information in his possession be obtained without further delay and that the Bureau be advised of the date a report would be submitted and the name of the Reporting Agent.

BELFOR was further interviewed during the entire day March 26, 1953 and he states he is now handicapped by the fact the above referred to file forwarded to the Department has information contained in the file which is important to continued discussion of facts, however, that he will endeavor to locate additional copies of pertinent documents and endeavor to furnish requested information.

BELFOR advised that due to business commitments he would be unable to continue further discussion in this matter until March 30, 1953.



AT 60-1149

Continuous and diligent attention has been afforded this matter in an endeavor to handle it in the most logical, concise and expeditious fashion. Information furnished by BELFOR to date and supporting documents in addition to those forwarded to the Bureau as mentioned above together with any other information he may have will be obtained and report submitted at the earliest possible time which time will be dependent upon BELFOR's continued availability for interview.

Assistant Attorney General  
Antitrust Division

March 30, 1953

Director, FBI

RECORDED - 118

60-4325-7  
NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

G. I. R. - 9

Reference is made to your file 60-202-18.

Harry W. Belfor, the complainant in this matter, has advised our Atlanta Office that he intended to direct a letter to the Antitrust Division setting out certain information which he has developed recently and which, in his opinion, would be of considerable interest to the Antitrust Division attorneys who are considering this matter. Belfor indicated certain documents which he previously had furnished to United States Attorney J. Ellis Mundy, Atlanta, Georgia, should be in the hands of the Antitrust Division at the time Belfor's letter is received in order that these documents may be at hand for ready reference to support the statements made in his letter.

Our Atlanta Office contacted United States Attorney Mundy, who at Belfor's request turned over to the Agents the documents which Belfor had previously furnished. Mr. Mundy indicated that he desired this material be forwarded to the Antitrust Division in accordance with Belfor's request.

The material turned over to our Agents by United States Attorney Mundy is forwarded herewith for use in evaluating the letter which Belfor indicated he was sending to the Antitrust Division. Our Atlanta Office is presently completing the interview of Belfor and the review of the material in his possession, and a report reflecting such interview will be forwarded to you at an early date.

Enclosure

JKP:ige

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

COMM - FBI

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MAILED 27

Atlanta 4/7/53  
JRP/E. Mundy  
Atlanta 4/14/53  
JRP/E. Mundy  
Atlanta 4/14/53  
JRP/E. Mundy

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## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI  
 FROM : SAC, Atlanta (60-149)  
 SUBJECT: NATIONAL LINEN SERVICE CORPORATION, etc.  
ANTI-TRUST

DATE: March 24, 1953

Re Atlanta airtel to Bureau dated 3-23-53.

In addition to information furnished to the Bureau in referenced airtel, HARRY W. BELFOR further contacted the Atlanta Office March 23, 1953 and advised documents and related papers contained in the file of U. S. Attorney J. ELLIS MUNDY, Atlanta, Georgia which had been made available to the Atlanta Office in connection with the interview with BELFOR would necessarily have to be in the possession of the Department at the time his proposed letter to the Department on March 24, 1953 is received in order that the pertinent referenced material will be at hand for ready reference to support his letter.

Mr. MUNDY has advised that BELFOR telephonically contacted him March 23, 1953 and requested that he authorize the FBI to forward the above file to the Department. Mr. MUNDY stated that material contained in the file had been furnished to him originally by BELFOR and that it was his desire the file be made available to the Department as requested by BELFOR.

The above file is being forwarded as an enclosure to this letter, by separate mail.

JDW:jjd  
 Encl. - 1 (REGISTERED MAIL)

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MAR 24 1953

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 6-10-53

Atkins, Antitrust Div  
 3/30/53 JKP  
 w/mals.

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Gearty	_____
Mr. Mohr	_____
Mr. Winterrowd	_____
Tele. Room	_____
Mr. Holloman	_____
Mr. Sizoo	_____
Miss Gandy	_____

FBI ATLANTA 4/6/53 JDW:EGE AT 60-149  
Transmit the following Teletype message to:

DIRECTOR, FBI

AIR-TEL

NATIONAL LINEN SERVICE CORP., ETC., ANTI-TRUST. RE ATLANTA

AIR-TEL TO BUREAU, 3/27/53. INTERVIEWS WITH HARRY W. BELFOR  
NOW COMPLETED AND REPORT TO BE SUBMITTED TO REACH BUREAU BY  
4/13/53.

CARSON

END

G. I. R. -9

AIR MAIL

RECORDED - 101

60-4325-8

6 APR 9 1953

63 APR 17 1953

Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

ATLANTA

REPORT MADE AT <b>ATLANTA</b>	DATE WHEN MADE <b>4/13/53</b>	PERIOD FOR WHICH MADE <b>3/5,6,9,10,11,12, 23,24,26,30;4/2/53</b>	REPORT MADE BY <b>J. DOYLE WILLIAMS (A)</b> <i>ba/ege</i>
TITLE <b>NATIONAL LINEN SERVICE CORPORATION; LINEN SERVICE INDUSTRY IN THE SOUTH</b>			CHARACTER OF CASE <b>ANTI-TRUST</b> <i>16-1</i>

**SYNOPSIS OF FACTS:**

HARRY W. BELFOR, Atlanta, Ga., contacted Department of Justice 1/20/53 and furnished information alleging Federal Anti-Trust Laws have and are continuing to be violated by National Linen Service Corporation, Atlanta, Ga., its officers, some stockholders and others. National Linen Service Corporation and controlled companies reportedly have indulged in monopolistic and restrictive practices in Georgia and elsewhere to prevent competition in the linen business by price-fixing and/or price wars, and by a conspiracy that has in the past and is currently being perpetrated by SIDNEY W. SOUERS and others who control National Linen's operations. BELFOR reinterviewed 3/5/53 through 4/2/53 and additional corroborative information and documents obtained in support of allegations to the Department. Alleged responsibility for violation of Anti-Trust Laws by National Linen are the dominant heads of National Linen identified specifically by BELFOR as ~~SIDNEY W. SOUERS~~, ~~I. M. WEINSTEIN~~, ~~J. B. JACOBS~~, and ~~A. J. WEINBERG~~.

G. I. R. 9

*1cc to Knoxville  
w/ Dept memo 6/4/53  
JHP*

- P -

*memo fall  
from 4-27-53  
JHP*

APPROVED AND FORWARDED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES <div style="font-size: 2em; font-weight: bold;">60-4325-9</div>	
COPIES OF THIS REPORT 3 - Bureau (Encl. 12) (AMSD) 3 - Atlanta (60-149) <i>1cc Antitrust, w/ encl 4/27/53 JHP</i>		APR 15 1953 38	RECORDED - 9 INDEXED - 9  EX. 108

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AT 60-149

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I. PREDICATION

Investigation set forth in this report is predicated upon Bureau letter to Atlanta dated February 19, 1953 to which was attached a copy of Departmental letter to the Bureau dated February 17, 1953 which advised in substance that HARRY W. BELFOR, an attorney with offices located at 179 Washington Street, S.W., Atlanta, Georgia, who is the attorney for minority stockholders of Atlanta Laundries, Inc., had furnished information to the Department indicating Federal Antitrust laws may have been and are continuing to be violated by the National Linen Service Corporation, its officers, some of its stockholders, and others.

In partial support of his allegations, BELFOR furnished to the Department fifteen documents to support his claims.

The general facts of BELFOR's complaint to the Department, according to the Department's letter, reflected the following.

The Linen Service Industry reportedly is composed of firms that loan towels, sheets, coats, and other linens, collect them after use, launder them, and then redistribute them regularly. National Linen Service Corporation allegedly monopolizes this industry in the South and because it has monopoly power, practices restraints upon the few small competitors that remain in the industry.

National Linen operates forty-five plants in Georgia, North Carolina, Texas, Alabama, South Carolina, Tennessee, Florida, Kentucky, Louisiana, Virginia, and California. Plants for the manufacture of the linens, coats, and for soap and laundering machinery used by National Linen's plants in all of the states served are maintained in Atlanta. The books and records of the company are maintained in Atlanta; all executives of the company operate from Atlanta; and all banking for the corporation is done in Atlanta.

The company's 1952 annual report indicates that in the year ending August 31, 1952, its net service sales amounted to \$31,395,083.06; that the company employs over 8,000 persons, and that the Wichita Falls, Texas plant, one of two new plants, serves citizens in Oklahoma as well as Texas.

On November 15, 1927 I. M. WEINSTEIN, J. B. JACOBS and A. J. WEINBERG organized Southern Linen Supply Corporation. By

AT 60-149

their stock ownership, the three men named controlled this corporation.

On January 16, 1928 Atlanta Laundries, Incorporated was organized by the merging of ten competing laundries, namely, American, Becks Steam, Capital City, Excelsior, Guthman, French Dry Cleaning-Mays, Piedmont, Service Laundry Co.-Peerless, Trio, and Knight's Decatur. These laundries were apparently prosperous ones.

Immediately after the formation of Atlanta Laundries, Inc., its officials entered upon a plan to acquire competing laundries.

On August 29, 1928 National Linen Service Corporation was formed by the merger of Southern Linen Supply Corporation, and the linen supply unit of Atlanta Laundries, Inc. and the linen supply unit of Laundry and Dry Cleaning Service, Inc.

It should be noted that B. C. McClellan was Chairman of the Board of National Linen until his recent death. He was followed in that position by SIDNEY W. SOUERS, who now holds the post. I. M. WEINSTEIN is and has been president of the company, J. B. JACOBS, Executive Vice President, A. J. WEINBERG, Vice President-Treasurer, and GEORGE W. ROBINSON, Secretary of the Finance Committee. All these men are and have been directors of the company since its organization.

Mr. BELFOR claims that because National Linen Service Corporation has monopolized the linen service industry in the states it does business it has been able to charge any sums it has chosen to charge for its service. It has increased charges regularly even though written contracts calling for specific charges were still in full force. A few years ago Rich's Dept. Store of Atlanta was so treated. It, therefore, induced three former employees of National Linen to go into business under the name of Apex Linen Supply Co. and promised Apex its business. As a result, Apex is now a competitor, although small, of National Linen in Atlanta. The mother of the COHEN boys who own and operate Apex informed Mr. BELFOR that her sons were recently offered \$350,000 by National Linen for their business despite the fact that its capital is only \$50,000.

Mr. BELFOR said that there are only two other small competitors of National Linen in the Atlanta area, Independent Linen Supply Co. and Fulton Linen Supply Co.



BELFOR contends that Independent, Fulton and Apex, by agreement with National Linen, maintain the same charges as National Linen. Mr. BELFOR claims that the agreement was entered into because of the threat by National Linen to put these small companies out of business by price wars and other restrictive practices if they would not agree to price maintenance.

BELFOR claims that in 1950, as window dressing, an official of Oglethorpe University was placed on the Board of Directors of Atlanta Laundries, Inc. He, in turn in September 1950 obtained the employment as President of Atlanta Laundries, Inc., W. S. ERWOOD, who had previously been associated with the Riverside Laundry and Linen Supply Co. of Miami, Florida. Mr. ERWOOD proceeded to and did spend \$60,000 to equip Atlanta Laundries, Inc. to enter the profitable linen supply business. When the directors and stockholders learned of this, they vetoed the plan because it meant competition for National Linen. They however voted \$400,000 to increase the laundry business of Atlanta Laundries, Inc. Thereafter, February 1951 ERWOOD resigned and went back to Riverside in Miami, and TOM L. ELVINS, now of Atlanta, took over. He lasted only six weeks because he too wanted Atlanta Laundries Inc. to enter the linen service business. H. A. SPENCER, the present president, was elected on April 22, 1952. His first act was to offer to purchase treasury stock at \$10 a share, far less than its worth, and to negotiate a loan of \$200,000 to retire at \$50 a share, the First Preferred Stock and Second Preferred Stock. The loan bore interest payable monthly and was secured by a mortgage on all of the properties of Atlanta Laundries, Inc. A supplemental agreement was made, BELFOR learned, whereunder the mortgagee obtained the right to take over the mortgaged property without formal foreclosure proceedings, immediately upon default in payment of any monthly interest payment.

BELFOR pointed out that there is no necessity to retire the preferred stock and undertake monthly interest payments. He claims that it was done to create a loan that would be secured by a mortgage that could be foreclosed, thus permitting the sale to National Linen of the linen service facilities of Atlanta Laundries, Inc., now lying idle, and thus effectively eliminating the possible competition of Atlanta Laundries, Inc. in the linen service business. BELFOR claims that the foreclosure is imminent.

## II. REINTERVIEW OF HARRY W. BELFOR

HARRY W. BELFOR was reinterviewed regarding the above allegations between March 5, 1953 and April 2, 1953 on a continuing day to day basis as he was available and the following information to further support and enlarge upon his original allegations to the Department was obtained.

Information set forth herein is supported in part by reproduced copies of documents purporting to support BELFOR's allegations and/or the source from which pertinent information of evidentiary nature can be obtained to verify his statements.

BELFOR advised he first became interested in the activities of Atlanta Laundries, Inc. in 1935 when he was retained by one GEORGE BELL, Atlanta, to represent his children in a bankruptcy matter involving Atlanta Laundries, Inc. at Atlanta, Georgia.

BELFOR stated that at the present time he is representing stockholders of the following organizations who have an interest in matters involving Atlanta Laundries, Inc., as well as National Linen Service Corporation:

- Liberty Laundry, Inc., Atlanta, Georgia
- Piedmont Laundry, Inc., Atlanta, Georgia
- Hibernia Bank and Trust Company, New Orleans, Louisiana
- Canal Bank and Trust Company, New Orleans, Louisiana
- Atlanta Trust Company, Atlanta, Georgia

From 1935 to the present through representation of clients and through personal exhaustive research, massive information, much of which is supported by copies of letters, newspaper clippings, varied miscellaneous documents, and financial statements related and unrelated to possible violations of the Federal Antitrust laws by National Linen and others, was gathered by BELFOR.

BELFOR advised most of the information furnished during the current preliminary investigation has been furnished previously to the Department during recent years directly or indirectly and that copies of many pertinent documents to support his claims have also been furnished to the United States Attorney, Atlanta, Georgia, and to the Department in several instances.

An early source of BELFOR's information concerning Atlanta Laundries, Inc. and National Linen has been public records produced in evidence before the United States Board of Tax Appeals. One such

case is the case of Georgia Savings Bank and Trust Company, trustee, versus the Tax Commissioners, which BELFOR stated is reported in 28 BTA 1150. The taxpayers' litigants, BELFOR stated, were GEORGE H. RAUSS, S. R. GREENBLATT, BEN E. MAY, French Dry Cleaning Company (72 Fed. 2nd 167), and others whose names will appear in the case of these litigants. Other knowledge concerning this matter was gained from related records and from investigation of the records of the Canal Bank and Trust Company, New Orleans, Louisiana, and of the Hibernia Bank in New Orleans, made available to BELFOR for examination by the State of Louisiana, Attorney General's Office. These records and others, according to BELFOR, were produced under subpoena in cases in the United States District Court, Atlanta, Georgia and in New Orleans, Louisiana in cases entitled, Kohler versus National Linen Service Corporation, including the appeal of the case, and Edith Little versus National Linen Service Corporation, etal. Information was also gathered in New Orleans, Louisiana from the following cases:

Kohler versus Humphreys  
Kohler versus Crescent City Laundry, Inc.  
cited in  
156 Fed. 2nd 908  
174 Fed. 2nd 946  
188 Fed. 2nd 263  
188 Fed. 2nd 265  
200 Fed. Reporter Sec. 858  
Tucker versus National Linen Service Corporation reported in  
200 Fed. 2nd, page 858.

Additional records available to BELFOR in consequence of their production for examination in open court at Atlanta, Georgia was in case No. 22997, which pertained to a voluntary petition for reorganization under bankruptcy statutes in the matter of Atlanta Laundries, Inc., debtor. On behalf of the interests BELFOR represented in those proceedings, he said he applied and continued to apply for other records which he had reason to believe existed, however access to these records was continually denied him.

Information was also found in files of SEC, Washington, D. C., in connection with registration by voting trustees of the common stock of National Linen and in a prospectus for the sale of presently issued preferred stock of National Linen, the proceeds of which reportedly were used to retire the old preferred stock.

Three issues of "LINENews" published by National Linen Service, Numbers 1, 2, and 3 of Volume I, dated in April, May and June, 1940, respectively, contain the history of National Linen "from its inception in Mr. I. M. WEINSTEIN's mind".

The articles reflect in summary that on April 1, 1919 the Atlanta Linen Supply Company, Atlanta, Georgia, founded by I. M. WEINSTEIN and HERMAN GROSS, began a business on \$1700 cash, of which \$1100 was borrowed. After four months of profitable operation, one EPLAN purchased a one-third interest in the business. This interest, however, was sold by EPLAN several months later to A. J. WEINBERG, a drug store owner in Atlanta, Georgia, whose subsequent further financing assisted in the growth and expansion of the company.

In 1923 J. B. JACOBS, Atlanta, Georgia, bought the interest in the business of HERMAN GROSS. With additional capital invested in the business by JACOBS, a new plant was subsequently opened in Birmingham, Alabama.

GROSS later began his own linen supply company in Charlotte, North Carolina; however, he was eventually bought out by the Atlanta Linen Supply Company as a part of its expansion program.

In 1928 National Linen Service Corporation was formed by taking in the ten plants previously operated by Atlanta Linen Supply Company, two linen supply companies operated by laundries in Atlanta, Georgia, and four similar plants operating in New Orleans, Louisiana.

The business as National Linen expanded in 1929 to include the Empire Manufacturing Company, Atlanta, Georgia, a soap factory, and also a cabinet shop, towel factory and additional towns.

In 1939 a subsidiary known as Linen Service Corporation of Texas was formed with the majority of stock being owned by National Linen Service Corporation. Plants were opened in Dallas, Fort Worth, and Houston, Texas and in Hollywood and Los Angeles, California.

Operations through 1940 also included the operation of the AlSCO Manufacturing Company, Atlanta, Georgia, which made all of the company's truck bodies.

BELFOR advised that on March 23, 1953 at the annual stockholders meeting of Atlanta Laundries, Inc. at Atlanta, Georgia, proxies of stockholders were produced and an alleged duplicate stock ledger, to which only momentary examination by him was permitted during the meeting. These proxies and stock ledger, he said, revealed that a plan to acquire the controlling stock of Atlanta Laundries, Inc. by A. J. WEINBERG and about five others holding stock for him has been accomplished.

BELFOR, in tracing this situation back through previous years, advised the cancelled stock certificates of the common stock and the first and second preferred stocks of Atlanta Laundries are to be found at the Trust Company of Georgia, Atlanta, Georgia, as agents for Atlanta Laundries. These records of transfers and the original stock ledgers kept by the Trust Company of Georgia reportedly will readily and precisely reveal the exact manner and time in which the present control of Atlanta Laundries is now lodged in the names of approximately five stockholders. The manner in which the funds to retain these shares were obtained from Atlanta Laundries will appear by reference to the disbursement checks of the Trust Company of Georgia issued upon the retirement of the first and second preferred stocks. These records, he said, will reveal to what extent the recipients of these funds were the directors of Atlanta Laundries and their families. The long trail of transactions by which these shares were acquired to enable the promoters of National Linen to remain in control of Atlanta Laundries from its inception to the present date and to compel it to cease its linen operations in favor of the monopoly by National Linen reportedly can now be traced in the following manner:

(1) The records of Canal Bank and Trust Company in Liquidation presently in the custody of the receivers appointed by the Civil District Court for the parish of Orleans, New Orleans, Louisiana, contain the files pertaining to an original issue of \$1,500,000 in bonds, \$500,000 in notes, 19,650 shares of preferred stock and 115,000 shares of common stock of Atlanta Laundries in 1928.

The record of issuance of temporary bonds, notes and temporary receipts subject to later delivery of voting trust certificates for common stock of Atlanta Laundries will establish the recipients of the original issue of these securities.

(2) The records of the Canal Bank, as agent for voting trustees of common stock of National Linen, reportedly will reveal the subsequent transfer of said certificates.

(3) The records of Whitney National Bank in New Orleans, Louisiana, as successor of Whitney Central Bank and Trust Company, will reveal their companion record as registrars of these voting trust certificates for common stock of Atlanta Laundries and of National Linen.

(4) In 1936 reorganization of Atlanta Laundries under the bankruptcy statutes, Section 77B in case No. 22997 in the Federal Court, Atlanta, Georgia, the record of the then holders of bonds, notes, preferred and common stock of Atlanta Laundries is reflected.

Responses to subpoenas and to inquiries by the court of transactions in these securities in contemplation of reorganization in the above case reportedly will reveal the manner in which bonds, notes and shares of stock were acquired at fractional parts of their values and by whom. A concealment from the court and the record in the above proceeding of the then and present true extent of the ownership by Atlanta Laundries of shares of stock of National Linen, valued in the millions according to BELFOR, is also reflected.

(5) The record in Canal Bank and Trust Company in Liquidation of an original issue of \$500,000 of bonds, 150,000 shares of common stock and approximately 20,000 shares of preferred stock of National Linen as of September 1, 1928 together with the companion files and their record of issuance of "certificates of participation" in said bond issue reportedly will reveal the original distribution of these securities of National Linen by the Canal Bank and not by SIDNEY W. SOUERS.

BELFOR further commented that the liability ledger of Canal Bank will reflect actual loans and advances made by Canal Bank to National Linen and various of its pretended organizations by SIDNEY W. SOUERS.

(6) The record of Canal Bank, as agent for voting trustees, will reveal the transfers of voting trust certificates for common stock of National Linen.

The companion record of Whitney Central Bank and Trust Company as registrar of said voting trust certificates of National Linen reportedly is available at the Whitney National Bank, New Orleans, Louisiana.

(7) Written directions from the voting trustees to the Canal Bank are reportedly located at the Canal Bank or the National Bank of Commerce, New Orleans, Louisiana, directing the transfer to the Trust Company of Georgia in Atlanta certain records from the Canal Bank.

Records of Trust Company of Georgia, as agent for voting trustees of National Linen, common stock, reflect the later transfers of voting trust certificates and the issuance of actual common stock in exchange for voting trust certificates at the termination of said voting trusts.

(8) Records of the Trust Company of Georgia, as transfer agent of the actual common stock of National Linen, reportedly reflect transfers to the present date together with cancelled voting trust certificates and cancelled "actual" common stock.

The record of disbursement of dividends of National Linen reportedly can also be found principally at the Trust Company of Georgia. Only one dividend, BELFOR stated, was declared in 1930 by National Linen. The cancelled checks for this dividend reportedly can be located at the Canal Bank, New Orleans, Louisiana.

(9) BELFOR stated the records of the Canal Bank from May 20, 1933 until 1937 were in the custody of the National Bank of Commerce in New Orleans, which bank was for all practical purposes a continuation of the same banking operations of the Canal Bank by the same individuals and for the benefit of the same dominant stockholders.

Some of the transfers of common stock of National Linen since 1946 were made in New York City and records of transfers can be found at the office of Register and Transfer Company of New York City.

The 1952 annual report of National Linen, a copy of which has been previously furnished to the Department, according to BELFOR, reveals that registrars of common stock of National Linen are Citizens and Southern National Bank, Atlanta, Georgia, and the Chase National Bank, New York City. The transfer agents of common stock of National Linen are the Trust Company of Georgia, Atlanta, Georgia and the Register and Transfer Company of New York City.

(10) Records produced in the case of Kohler versus Humphrey, Civil Action 753, New Orleans, Louisiana, by R. V. Whittaker and Company, Public Accountants, New Orleans, Louisiana, were introduced in evidence and later returned to the company.

BELFOR stated information is available from these records showing acquisition of competing linen suppliers by National Linen in several states.

BELFOR furnished additional masses of dockets and information concerning the Hibernia National Bank and the Hibernia National Bank and Trust Company, both of New Orleans, Louisiana, and identified numerous law suits, he stated, had a tie-in with captioned matter; however, the relevancy and importance of this information to this case was not entirely justified by BELFOR and therefore, is not being reported.

BELFOR advised on March 26, 1953 that further direct evidence and proof of potential violations of Federal Antitrust Statutes as related to National Linen and controlled companies can be established from the following.

As a result of a meeting of the stockholders of Atlanta Laundries at Atlanta, Georgia on March 23, 1953 BELFOR stated he determined that total stockholders of the company number approximately 231, of which about 41 hold 100 shares or more. Out of these 41 stockholders, approximately 14 have the voting control. He stated these stockholders include:

JOSEPH EICHBERG, as agent for ARMAND MAY\*, Atlanta, Georgia, 2625 shares;  
J. H. Hilsman and Company\*, Atlanta, Georgia, 1354 shares;  
BEN MAY\*, Mobile, Alabama, 140 shares;  
BEN MAY, as agent for undisclosed principle, 3500 shares;  
CHARLES RINZLER\*, Atlanta, Georgia, 2823 shares;  
ROSE SCHRIEBER, Atlanta, Georgia, 200 shares;  
ROSE SCHRIEBER\*, Atlanta, Georgia, agent for undisclosed principle, 1125 shares;  
SIDNEY M. SMITH\*, Atlanta, Georgia, 225 shares (SMITH, according to BELFOR, holds these shares for BEN MAY, H. A. SPENCER, SR., President of Atlanta Laundries, reportedly wrote the check in payment of these shares);



ANNIE F. SPENCER, Atlanta, Georgia, 1285 shares;  
H. A. SPENCER, SR.\*, Atlanta, 1482 shares;  
H. A. SPENCER, JR., Atlanta, Georgia, 100 shares;  
St. Denis J. Villere and Company\*, New Orleans, Louisiana;  
718 shares (This company, according to BELFOR, composed  
in part of ERNEST VILLERE, a director of Atlanta Laundries);  
A. J. WEINBERG\*, Atlanta, Georgia, 217 shares (Executive  
Vice President of National Linen);  
T. A. MARTIN, Atlanta, Georgia, 650 shares.

The above named are the dominant stockholders of Atlanta Laundries who, according to BELFOR, are controlled by A. J. WEINBERG and others who are the dominant stockholders and directors of National Linen. The asterisk beside the above named indicate those report to be stockholders of National Linen.

BELFOR produced a report of Dun and Bradstreet, Atlanta, Georgia, dated May 28, 1952 together with a supplementary report of the company dated August 18, 1952 pertaining to Atlanta Laundries which, he said, reflected how a scheme of operation was put into action by controlling stockholders and/or those in power to maneuver and manipulate company operations to obtain stock for themselves at a price lower than the asset value of the stock and to cause the business to fail and to ultimately go into bankruptcy.

Asset value of Atlanta Laundries' common stock in 1946, BELFOR stated, was approximately \$26 per share plus the equitable distribution of real estate according to information furnished to him by RUSSELL BAKER (see Page 17 for information regarding BAKER).

BELFOR stated the principal party behind the MAY Brothers, SPENCER, SR. and HERBERT HAAS, attorney for Atlanta Laundries and National Linen, is A. J. WEINBERG of National Linen who is using these men as fronts to obtain Atlanta Laundries stock. The Real capital used to obtain the stock, reportedly, was money of the First National Bank, Atlanta, borrowed on behalf of Atlanta Laundries. The objectives of the above group, he said, are (1) to remain in control of Atlanta Laundries to prevent it from engaging in the linen supply business and to prevent any of its plants to be used in the linen supply business; (2) to prevent Atlanta Laundries from recovering stock it owns in National Linen; and (3) to eventually monopolize the laundry, as well as the linen business, in the Atlanta area in connection with Associated Baby Services, Incorporated.

In regard to the first Dun and Bradstreet report dated May 28, 1952 BELFOR stated the current investigation section, page 8, specifically points out the plans of Atlanta Laundries to call in for redemption all outstanding first and second preferred stocks by July 1, 1952. Retirement of the preferred stocks reportedly would involve \$490,000. A loan of \$500,000 from a local bank was indicated as being available to handle retirement of the stocks.

The report further reflects that in addition to the retirement of all outstanding preferred stock that H. A. SPENCER, HERBERT HAAS, BEN MAY and ARMAND MAY formerly declared their willingness to purchase outstanding shares of common stock of the company which may be offered to them and that all such stock would be purchased at \$10 per share. The report pointed out that the \$10 per share price was considerably less than the present market value and that the above persons desired to purchase at least 15,000 shares of the total outstanding 25,490 shares in order to hold a controlling interest. Three of the above individuals were reported at that time to hold 2,835 shares of the outstanding common stock and that in the event a sufficient number of common stockholders did not desire to sell their shares of common stock, the board of directors had authorized a sale to all of the above named of 8,000 shares of unissued common stock at \$10 per share, provided the stock was purchased on or before July 1, 1952.

A copy of the above report was furnished by BELFOR and has been designated as Exhibit I of this report.

BELFOR stated the above plan is further evidence of a pre-conceived scheme to obtain control of stock of Atlanta Laundries through special consideration and by a method not available to other stockholders of the company. BELFOR stated that the above plan, in his opinion, means that the last step of the method devised by those in power to obtain control and to remain in control of Atlanta Laundries by pretended legal means has been taken. The whole plan he said, from the beginning, was a fraud and a scheme to obtain and maintain a monopoly and to use funds of the public to accomplish it.

Dun and Bradstreet's supplemental report dated August 18, 1952 reflected that on August 11, 1952 H. A. SPENCER advised that the proposed plan mentioned above had been accomplished at a cost of \$496,000 and that the funds to cover the operation had been borrowed from a local bank.

BELFOR furnished a copy of the above report which has been designated as Exhibit II of this report.

BELFOR related that further support of his contentions concerning National Linen's alleged illegal business practices is illustrated by difficulties presently being encountered by JOSEPH, ABNER and BERNARD COHEN, who own and operate Apex Linen Service, Atlanta, Georgia. ABNER and JOSEPH COHEN, according to BELFOR, recently advised him the Officers' Club account of Apex Linen at Fort McPherson, Georgia is one of several accounts in which illegal practices are being employed by National Linen to obtain their business or to force prices of Apex down below prevailing prices in the Atlanta area in order for Apex to maintain the business. No further details in this regard were known to BELFOR. The COHEN brothers, however, according to BELFOR, advised that they would be glad to furnish numerous additional instances with specific detail of transactions which they believe are violations of the antitrust laws by National Linen which directly affected them. BELFOR stated the COHEN brothers have indicated they can furnish information that price cuts to customers of Apex are being offered by National Linen which are lower than the current price that National Linen makes to customers in the Atlanta area and that this action is being taken in furtherance of a threat to cause them to suffer losses because of their continuing refusal to sell Apex Linen to National Linen.

BELFOR stated that ABNER COHEN stated that one valued customer of Apex was approached by National Linen with an offer to supply service at a cut price of approximately \$1500 for one year's requirements together with a suggestion that if Apex met the cut in price to retain the patronage, that they, Apex, be required to put up \$1500 in cash to assure the customer that the services for the entire year at the reduced price would be made. Apex reportedly put up the \$1500 and maintained the service to the customer, at the cut price.

BELFOR pointed out that Apex Linen Supply Company was formed several years ago by the COHEN brothers as a result of certain inducements to them by Rich's Incorporated, a large and leading department store in Atlanta, Georgia. Following formation of Apex, Rich's Incorporated became one of the principal accounts of Apex. BELFOR continued that Apex recently lost the Rich's Incorporated business for reasons unknown to him.

BELFOR advised that B. A. KESLER was employed by National Linen from 1937 until approximately June of 1952, except for a period during World War II when he was in the armed services. KESLER was in charge of approximately 56 route drivers operating from the Atlanta Plant of National Linen, and directed them in carrying out the policies of National Linen. According to BELFOR, KESLER told him that National Linen's policies are similar to those referred to in an indictment returned by the Government against Consolidated Laundries and other linen suppliers in the New York area. More specific detail in this regard was not furnished by BELFOR, nor further identifying data regarding the case. BELFOR stated that KESLER had furnished to him a list of the names of drivers that were under his supervision while he was employed by National Linen from whom specific facts relative to the manner in which the drivers carried out his instructions could be obtained.

A list of the above mentioned drivers was obtained from BELFOR and has been designated as Exhibit III of this report.

KESLER reportedly advised BELFOR that he is willing to supply specific facts in regard to transactions that he personally knows about as having occurred in Georgia and other states in connection with the methods used by National Linen to compel competitors to sell out to National Linen and to maintain prices set by National Linen. KESLER, according to BELFOR, can furnish copies of price lists of National Linen to the trade through the National Association of Linen Suppliers. BELFOR further stated that KESLER is well informed and will make information in his possession available to the Government if requested to do so.

BELFOR stated that THOMAS L. ELVINS, 1061 Eden Avenue, Atlanta, Georgia, formerly operated a laundry and linen supply service in Miami, Florida, under the name of Southern Laundry, Inc. ELVINS sold this business in 1946 and accepted employment with the United States Government as a laundry specialist. ELVINS gave up this employment in September, 1951, to accept employment by Atlanta Laundries as Production Manager to supervise six plants. ELVINS was later elected Executive Vice-President in Charge of Production.

BELFOR stated that ELVINS installed at the Excelsor Plant of Atlanta Laundries equipment purchased by W. S. ERWOOD but not installed by ERWOOD during the time ERWOOD was President of the company. This

equipment, according to BELFOR, is now in operation and reportedly is particularly suited for the efficient laundrying of a linen service operation in distinction to a general laundry operation. ELVINS rearranged the Excelsor Plant to facilitate its use in the conduct of a linen business. He rearranged plant operations at the Capital City and American Plants for the handling of a general laundry operation and planned the modernization of the Piedmont Plant by removal of equipment from the Marietta Plant, then shut down. ELVINS also contemplated the use of the former Troy Plant in the conduct of a linen business. All of the above named plants, BELFOR said, are located in Atlanta, Georgia. One other plant, the Decatur Laundry, is located at Decatur, Georgia.

BELFOR stated that as soon as ELVINS communicated his contemplated plans to his superiors to provide for the operation of a linen business at plants formerly operated in the linen business by Atlanta Laundries, he was called into the office of HERBERT J. HAAS, Counsel for the Atlanta Laundries and for National Linen, and in the presence of JOHN OLIVER, Chairman of the Board of Directors of Atlanta Laundries, informed by HAAS that his services would no longer be required from that moment. HAAS reportedly advised ELVINS that H. A. SPENCER, SR. had obtained control of Atlanta Laundries and was assuming the office of President as of April 22, 1952. BELFOR pointed out that although S. R. GREENBLATT held the office of President at the time ELVINS was made Executive Vice-President that GREENBLATT had been on a leave of absence without pay and that the entire management of Atlanta Laundries was conducted by ELVINS.

BELFOR continued that ELVINS during his time in office had carefully investigated laundry operations in Atlanta, Georgia, for the previous period of 25 years, and thereby learned that every laundry that had engaged in a linen supply service enjoyed great prosperity. ELVINS also made a survey of all competing linen suppliers in the Atlanta area and examined their plants and facilities, after which he concluded, according to BELFOR, that the Excelsor Plant was more modernly equipped and better suited for efficient and economical operation of a linen service than any other plant including the Atlanta Linen Supply Plant of National Linen. ELVINS reportedly also concluded that the American, Piedmont, Capital City and Troy Plants were each well suited for use in the conduct of a linen business. These plants formerly operated in the linen business prior to National Linen's formation in 1928.

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By written agreement between Atlanta Laundries and National Linen the above plants, BELFOR stated, were not to function in linen services for a period of 10 years. Laundry operations in each plant, however, were to continue.

BELFOR stated that ELVINS furnished him with a voluntary sworn statement dated May 17, 1952, reflecting the circumstances leading up to the seizure of the control of the Atlanta Laundries by H. A. SPENCER, SR.

A copy of ELVINS' statement has been obtained and has been designated as Exhibit IV of this report.

BELFOR advised that RUSSELL BAKER became an officer of Atlanta Laundries at about the time of its creation in 1928 and remained continuously in various offices of the company until he relinquished the presidency in September, 1950, in favor of W. S. ERWOOD. BAKER then became Vice-President under ERWOOD and later resigned in March, 1951. BELFOR said that BAKER informed him that Atlanta Laundries engaged in the linen business from the time of its formation until the time of the formation of National Linen in approximately October, 1928. The operations of National Linen in the beginning, as well as their corporate meetings were conducted from the premises of Atlanta Laundries. BELFOR stated that BAKER had advised that Atlanta Laundries paid \$15,000 a year in salary to its President, GEORGE H. FAUSS, and more than \$12,000 per year to its Executive Vice-President, T. A. MARTIN, both of whom functioned as Directors of National Linen, thus making available to National Linen their experience of a lifetime. These men reportedly thereafter transferred to National Linen from Atlanta Laundries many of the key technicians such as engineers, automotive experts, laundry superintendents and skilled route men.

Prior to National Linen's formation in 1928, all of the employees of Atlanta Laundries were required to sign restrictive agreements against engaging in competition to Atlanta Laundries or their assigns, thereby restricting them against competing with National Linen. BELFOR stated all of the officers and stock holders of each of the 10 laundries merged into Atlanta Laundries in January, 1928, similarly signed restrictive agreements preventing them from engaging in competition to Atlanta Laundries or its assigns in a radius of 50 miles of Atlanta.

Copies of these agreements dated in 1927, of which 9 are available, are not legible in all instances; however, each contains a restrictive clause as indicated above by BELFOR. These documents have been designated as Exhibit V of this report. BELFOR stated that the agreement signed by MARIE L. WILSON dated December 31, 1927, and the agreement signed by Mrs. MARION F. WILSON, T. C. PERKINS and JOSEPH F. WILSON demonstrate that every stock holder of the 10 consolidating companies signed restrictive agreements on or about January 13, 1928.

Also included in this exhibit are: (1) An agreement dated April 24, 1928, between THEODORE MAYER, E. M. MITCHELL and W. M. VANDERGRIFF, and Atlanta Laundries, Inc., which BELFOR stated reflects under Paragraph J, Pages 6 and 7, the pattern of all restrictive agreements used after that date by National Linen and associated companies; (2) An agreement entered into November 16, 1927, between Capital City Laundries Company and GEORGE W. ROBINSON, which BELFOR stated contains: (a) A restrictive agreement on Page 7, Paragraph K of Section 4, similar to the restrictive agreements reflected in other documents contained in Exhibit V, and (b) Provides for control of stock by bankers on Page 13.

The written agreement that Atlanta Laundries entered into for the formation of National Linen provided that Atlanta Laundries was restricted from engaging in the linen business in various described southeastern states, as well as any other state in which National Linen might thereafter open a plant. This agreement reportedly was in the custody of BAKER while he was Secretary of Atlanta Laundries. A copy of this agreement, according to BELFOR, is attached as Exhibit C in the law suits of Tucker versus National Linen, a copy of which suits is reported to be in possession of the Department.

BELFOR continued that BAKER submitted figures to the Directors of Atlanta Laundries in approximately 1946 showing that the assets of Atlanta Laundries then had a realizable value sufficient to retire all of the preferred stock and distribute to each common stock holder about \$26 a share. The company reportedly would still be possessed of unencumbered real estate after the above action that it then and presently owns.

BELFOR produced a copy of the above mentioned figures used by BAKER in arriving at the above data. This paper has been designated Exhibit VI of this report.

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BAKER further pointed out, BELFOR stated, that the 16,165 shares of National Linen common stock that Atlanta Laundries actually came into possession of a certificate for was artfully acquired from Atlanta Laundries by agents of the controlling stock holders of National Linen for a fractional part of their real value. BELFOR estimated the true value of the stock today to be in excess of \$3,000,000.

Sworn testimony of BAKER reportedly is presently on file in the United States District Court, Atlanta, Georgia, in case entitled "Atlanta Laundries, Inc., versus GEORGE H. FAUSS and T. A. MARTIN", wherein BAKER swore that neither he nor any other officer of Atlanta Laundries had knowledge prior to the institution of that suit that Atlanta Laundries and Laundries and Dry Cleaning Service, Inc. together owned 10,278 additional shares of National Linen common stock for which said companies have to this date not received a certificate evidencing ownership thereof.

A copy of the above mentioned testimony was made available by BELFOR which reflects BAKER's testimony beginning on Page 43. This testimony has been designated as Exhibit VII of this report, and is to be returned to BELFOR when it has served its purpose.

BELFOR stated BAKER advised him that HERBERT J. HAAS acted as Counsel for National Linen and Atlanta Laundries at all times from the time of formation of each corporation until the date of HAAS' recent death, and that through HAAS the affairs of Atlanta Laundries were controlled. Atlanta Laundries was never permitted to engage in the linen business after the expiration of the 10-year restrictive agreement between the companies signed in 1928.

BELFOR furnished the following information regarding WILLIAM S. ERWOOD, President of Atlanta Laundries from September, 1950, to February 1, 1952:

PHILIP WELTNER was Chairman of the Board of Directors of Atlanta Laundries in 1950 and he employed ERWOOD on the recommendation of H. A. SPENCER, SR., who is the current President of Atlanta Laundries. The report of WELTNER to the stockholders of Atlanta Laundries for the year 1950 makes reference to the careful study of each of Atlanta Laundries' six plants by ERWOOD and to the company's modernization program under



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ERWOOD's direction in which the Excelsor Plant was thoroughly modernized.

A copy of the pertinent pages of this report has been made available by BELFOR and has been designated as Exhibit VIII of this report.

ERWOOD recommended to the Board of Directors an expenditure of \$60,000 for a linen supply operation but his recommendation was not followed for reasons unknown to him.

ERWOOD was employed at a salary of \$15,000 a year, plus a bonus to be based on the amount of the company's profitable operation. ERWOOD reportedly was informed at the time of his employment that as soon as the laundry operation of the company was operating profitably that a linen operation would then be considered. After approximately one year ERWOOD informed the Directors that he would return to his former connection in Miami, Florida, if a linen operation were not resumed by Atlanta Laundries.

ERWOOD reportedly can verify the fact that Directors controlling Atlanta Laundries prevented him from causing Atlanta Laundries to engage in the linen business. Without the linen business ERWOOD concluded that Atlanta Laundries could not operate profitably.

BELFOR stated the annual report of Atlanta Laundries dated May 14, 1952, reflected the resignation of ERWOOD and the election of H. A. SPENCER, SR., in addition to reflecting the solvent condition of the company in further support of his claims.

A copy of the above report has been made available by BELFOR and has been designated as Exhibit IX of this report.

BELFOR related that PHILIP WELTNER is an attorney in Atlanta, Georgia, whose practice in recent years was largely devoted to the reorganization of various industries and educational institutions. WELTNER was employed by Atlanta Laundries in May, 1949, as Chairman of the Board of Directors at a salary of \$15,000 a year. He resigned that office on February 1, 1952. His principal function was to obtain for Atlanta Laundries competent management. As a step toward this end WELTNER selected W. S. ERWOOD as President of Atlanta Laundries after carefully investigating his successful operations in the laundry and linen business in Miami, Florida, during the previous 13 years.

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BELFOR stated WELTNER can verify: (1) The careful modernization program carried into effect by ERWOOD together with the proposed operation of a linen supply department, and (2) That when no linen business was accepted ERWOOD left the company and that he, WELTNER, resigned his position the same day.

BELFOR continued that H. NEIL ANDREWS was Assistant United States Attorney in Atlanta, Georgia, a few years ago when a suit was filed in Atlanta, Georgia, by National Linen against J. T. ROSE, Collector. In that litigation the issues reportedly included facts pertaining to the formation of National Linen and the issuance of its stock to Atlanta Laundries, Laundries and Dry Cleaning Service, Inc., SIDNEY W. SOUERS and Southern Linen Supply Corporation. The file of the United States Attorney in that litigation, according to BELFOR, furnished a clue in regard to the existence of pertinent records which should have been found in the possession of Atlanta Laundries but were not.

After ANDREWS ceased to be United States Attorney, BELFOR said ANDREWS was employed by I. M. WEINSTEIN on behalf of Consolidated Laundries to intercede in their behalf with the Department of Justice at the time the Anti-trust Division was re-examining the conduct of operations of Consolidated Laundries in the New York City area with a view of re-indicting them.

BELFOR related he has asked ANDREWS if he would be willing to add the knowledge that he personally possessed in that matter to that which he, BELFOR, proposed to bring to the attention of the Attorney General. ANDREWS' answer reportedly was that he would be delighted to render any assistance that he would be called upon to give, but that he felt that he should mention the fact that some time before June, 1952, someone on behalf of I. M. WEINSTEIN, the Executive Head of both National Linen and Consolidated Laundries, had employed him on behalf of Consolidated and that his knowledge as to National Linen was not in conflict with any that he had gained out of such employment that he would be entirely willing to be of assistance to the Attorney General.

BELFOR continued that RICHARD L. PORTER, JR., presently employed with the Department of Justice, Washington, D. C., who was attached to the Anti-trust Division in the New Orleans office prior to November 6, 1943, conferred with him at great length at New Orleans and had examined voluminous records then in his official custody. BELFOR at that time was associated with the Office of the Attorney General of the State of Louisiana and conducting an investigation on behalf of the State Banking Department of the affairs of the Canal Bank, the Hibernia Bank and others in Louisiana. The letters PORTER wrote to BELFOR are said to be located in the files of the Department at Washington, D. C.

BELFOR stated that when he conferred with Mr. SAMUAL FLATOW of the Department on January 20, 1953, Mr. FLATOW informed him that he had previously conferred at length with PORTER and obtained from him information in his possession concerning alleged anti-trust violations in this matter.

SIDNEY H. VICKNAIR was Secretary of National Linen from 1928 until approximately March 17, 1953. His services were voluntarily terminated by his own decision. Since that time, BELFOR stated, VICKNAIR has been retired by National Linen at full pay of approximately \$30,000 to \$35,000 per year. This information reportedly is reflected by the last proxy approved by the SEC in August, 1952. VICKNAIR reportedly worked closely with B. A. KESLER and would be in a position to give important information in regard to National Linen policies followed nationally in respect to price fixing by National Linen throughout the area in which it operates and in regard to contemplated mergers by National Linen and Consolidated Laundries. VICKNAIR resides in Biloxi, Mississippi, and can be contacted in Atlanta, Georgia, through his son, S. H. VICKNAIR, JR.

\* \* \* \*

Insofar as inter-locking Directors of National Linen and Atlanta Laundries can be charted, BELFOR made reference to the Certificate of Incorporation, Charter and Minutes of National Linen which he stated had been furnished by him to Mr. FLATOW of the Department on January 20, 1953. He stated that these documents will reflect that the dominant Directors of National Linen from the time of its creation in 1928 were at the same time the dominant Directors of Atlanta Laundries. Continuance of such domination by this group reportedly was assured under a voting trust agreement which in practice remained in effect for 10 years from 1928. This agreement reportedly remained in effect in consequence of the things done in a fraudulent re-organization of Atlanta Laundries under the bankruptcy statutes. BELFOR stated that the averments contained in the Tucker suits previously mentioned in this report, contained paragraphs charting the inter-locking stock holders and Directors of National Linen and Atlanta Laundries. BELFOR furnished a copy of a Record of Transfers of National Linen Service Corporation of the Canal Bank and Trust Company, Transfer Agent, New Orleans, Louisiana, dated November 16, 1928, etc., reflecting information pertaining to Certificates Surrendered and Certificates

Issued which bear the names of SOUERS, MOSS, MC CLELLAN, WEINSTEIN, JACOBS, WEINBERG and CHARLES LEFTWICH, and a sheet containing a list of the Boards of Directors of Atlanta Laundries and Laundries and Dry Cleaning Service, Inc., the source of which is unknown. The latter document also includes the names of SOUERS, MC CLELLAN, WEINSTEIN, JACOBS, WEINBERG, and LEFTWICH, among others.

A copy of the above documents was obtained and has been designated as Exhibit X of this report.

(A) Secondary Evidence

BELFOR stated information relative to the location of secondary evidence in most instances can be furnished by him in the event of an investigation of this matter by the F.B.I. if original evidence is not available.

(B) Persons Allegedly Responsible for Violations of Anti-trust Statutes by National Linen Service Corporation

The following persons were named by BELFOR as "living persons who are the dominant heads of the conspiracy to obtain and maintain a monopoly of the linen business and who are responsible for violations of anti-trust laws by National Linen and others". This opinion, he said, is based on his knowledge of documentary evidence which exists and is generally available.

SIDNEY W. SOUERS, Chairman of the Board of Directors  
I. M. WEINSTEIN, President  
J. B. JACOBS, Executive Vice-President  
A. J. WEINBERG, Vice-President and Treasurer

All of the above are residents of Atlanta, Georgia, with the exception of SOUERS who resides in St. Louis, Missouri. BELFOR pointed out that SOUERS also maintains a residence in Washington, D. C. From 1950 until January 20, 1953, SOUERS was a Special Consultant to President TRUMAN.

From 1924 to 1930 SIDNEY W. SOUERS was Executive Vice-President of the Canal Bank and Trust Company of New Orleans, Louisiana, and as such reportedly worked closely with JAMES P. BUTLER, President of that bank. ROGERS CALDWELL of Nashville, Tennessee, through Caldwell and Company, was a dominant stock holder of the Canal Bank at that time.

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SOUERS, BUTLER and CALDWELL, BELFOR stated, together caused the funds of the Canal Bank to be used to obtain control of banks, insurance companies, industrial enterprises, and through such control to monopolize the linen business as well as other businesses.

BELFOR made available copies of letters to SIDNEY W. SOUERS from W. IRVING MOSS, Secretary of Laundries and Dry Cleaning Service, Inc., New Orleans, Louisiana, dated August 5, 1928, and from HERBERT J. HAAS, attorney, Atlanta, Georgia, dated August 4, 1928, which he stated are pertinent to the distribution of National Linen stock to Directors of Atlanta Laundries who were to serve as Directors of National Linen. BELFOR continued that Paragraph 2 of the HAAS letter to SOUERS set out herein, is the vital part of this letter.

"Mr. Robertson discussed a matter over the 'phone with me this morning about the distribution of common stock among the officials of Atlanta Laundries, and I fully concur in his suggestion that no official, by reason of his position, is entitled to any stock. The stock belongs to the corporation which is paying the salaries of its officers, and much criticism could rightfully be directed at any officer who was allotted stock out of the stock which rightfully belongs to the corporation. We have a number of people who are only too willing to criticize."

The fourth paragraph of the MOSS letter to SOUERS, according to BELFOR, set forth hereinafter, is also pertinent to the plan for distribution of National Linen stock to Directors of Atlanta Laundries who were to serve as Directors of National Linen.

"In addition to Mr. McClellan, Mr. Faust, Mr. Mayes, and Mr. Martin are to receive each 1,000 shares of the common stock from the Atlanta Laundry Company out of the common stock which it will receive."

BELFOR also produced a copy of a letter to Mr. B. C. MC CLELLAND from SIDNEY W. SOUERS dated September 14, 1928, the text of which is set out below, relative to the joint underwriting of National Linen bonds in addition to a schedule of expenses to handle the underwriting.

"Dear Mac:-

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Under the contract between you and me as underwriters of the Bonds of the National Linen Service Corporation, we agreed to pay expenses up to \$1,000.00.

As you can readily see, this means that we are stuck for \$1,000.00. I shall appreciate it, therefore, if you will give me your check for 15/40 of this amount, or \$375.00.

The expenses will have amounted to \$15,000.00 or \$20,000.00, so there can be no question but that we will have to pay the \$1,000.00.

Very truly yours,"

BELFOR stated that 50,000 shares of National Linen was received by SOUERS in connection with the above matter.

A copy of each of the above referred to letters was obtained and has been designated as Exhibit XI of this report.

(C) Alleged Interstate Business Activities of National Linen Service Corporation

BELFOR advised that National Linen route men from the states of Florida, Tennessee, South Carolina, and possibly Alabama, service customers of National Linen in Georgia. The Jacksonville, Florida, Plant services Brunswick and Waycross, Georgia, and the surrounding area. The Chattanooga, Tennessee, Plant services the area surrounding Calhoun and Blue Ridge, Georgia. The Greenville, South Carolina, Plant services the area in the vicinity of Toccoa, Georgia; and the Columbia, South Carolina, Plant services the area surrounding Augusta, Washington and Elberton, Georgia. National Linen reportedly also does not adhere to state boundaries in other parts of the country as to the scope of their operations as they have endeavored to do within the state of Georgia. BELFOR pointed out that route men from the Atlanta plants of National Linen heretofore crossed state boundaries to service customers beyond the state of Georgia; however, do not presently follow this policy.

(D) Miscellaneous

BELFOR was insistent during the course of interviews in this matter that the following information concerning Associated Baby Services, Inc., whose principal offices are located in New York City, be brought

to the attention of the Department in connection with previously reported allegations. Laundry and Dry Cleaning Service, Inc., New Orleans, Louisiana, whose name was changed by charter amendment to Crescent City Laundries, Inc., was succeeded "overnight" by a Delaware corporation known as New Orleans Laundries, Inc., in July of 1942. All of the stock of New Orleans Laundries, Inc., was subsequently turned over to Associated Baby Services, Inc. Associated Baby Services, Inc., was chartered on May 15, 1944, and is principally a holding company for 11 or more operating companies, including New Orleans Laundries, Inc. Its officers, who are also officers of New Orleans Laundries, have for many years continued negotiations and activities looking forward to the acquisition of the operating plants of Atlanta Laundries as well as other competing operating laundry plants. Two of these plants in particular are reported to be Chesterfield Laundries, Inc., and Stoddard Cleaners, Inc., both located in Atlanta, Georgia, of which H. A. SPENCER, SR., currently President of Atlanta Laundries, is also the Executive Head. The eventual plan, according to BELFOR is to bring about a merger of Consolidated Laundries in New York with National Linen and the operation of large laundry plants throughout the country through Associated Baby Services, Inc., to compete with any laundry that conducts any independent linen supply business in competition to National Linen.

\* \* \* \*

Following a meeting of the stock holders of Atlanta Laundries in Atlanta, Georgia, March 23, 1953, BELFOR immediately advised the reporting Agent that as a result of developments at the above meeting he intended to file a civil suit in the United States District Court, Atlanta, Georgia, against National Linen for triple damages and reasonable attorney fees, in which he would allege that organizers of National Linen conceived a scheme to establish and maintain a monopoly of the linen business. BELFOR also stated that information previously furnished to this office in this matter is old, obsolete and secondhand in view of developments at the meeting of stockholders. BELFOR stated he had advised officers of Atlanta Laundries, Inc., and other persons that he had made facts in this matter in his possession known to the Department and to the F.B.I. He stated he intended to write a letter to the Department on March 24, 1953, explaining current developments. He also advised he would make available to the Atlanta Office a copy of his letter to the Department. This letter had not been written by BELFOR as of April 2, 1953.

AT 60-149

Later on the above date BELFOR again contacted the Atlanta Office and requested the documents contained in the file of United States Attorney J. ELLIS MUNDY being retained at that time by the Atlanta Office be forwarded to the Department. BELFOR contacted United States Attorney MUNDY in this regard and requested him to authorize and instruct the Atlanta Office to forward the above file to the Department.

On the same date Mr. MUNDY telephonically contacted the Atlanta Office and advised of BELFOR's call and requested the file be forwarded to the Department in line with BELFOR's request inasmuch as the entire file consists of material originally furnished to him by BELFOR. In accordance with Mr. MUNDY's authorization and request, the file was forwarded to the Bureau for transmittal to the Department on March 24, 1953.

On March 26, 1953, BELFOR stated he was handicapped in the further presentation of the facts in this matter by the fact that the above referred to file forwarded to the Department contained information of importance to the continued discussion of the facts; however, that he would endeavor to locate additional copies of pertinent documents and attempt to furnish requested information.

In further regard to the above mentioned civil suit, BELFOR stated one of the counts will be to seek (1) to compel National Linen to issue to Atlanta Laundries and Laundry and Dry Cleaning Service, Inc., a certificate evidencing ownership of common stock of National Linen, (2) to cancel existing certificates evidencing ownership of common stock of National Linen fraudulently issued by it to certain inter-locking Directors of National Linen and Atlanta Laundries, without consideration, in furtherance of a conspiracy to establish and maintain a monopoly, and (3) incident thereto, to defraud Atlanta Laundries and its innocent stock holders of its shares of stock in National Linen belonging to Atlanta Laundries. Another count, he said, will seek to restrain the dominant officers and stock holders of National Linen from continuing to restrain Atlanta Laundries from engaging its plants and facilities in the conduct of a linen business in the Atlanta area.

BELFOR further advised he filed two resolutions in the above stock holders meeting of Atlanta Laundries on March 23, 1953, on behalf of himself as a stock holder, and on behalf of some of his clients who are stock holders, as well as for other innocent stock holders.



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One resolution in part sought to have stock holders and Directors of Atlanta Laundries to take action to redress the wrongs to the corporation complained of at the annual stock holders meeting of March 24, 1952, and to permit minority stock holders reasonable access to corporate records. It is noted that BELFOR made no specific reference to the nature of the complaint filed at the stock holders meeting on March 24, 1952, and did not have available a copy of that resolution.

The second resolution filed by BELFOR on March 23, 1953, at the above stock holders meeting requested Atlanta Laundries to take corporate notice of facts fraudulently concealed from the corporation which were brought to the attention of stock holders during the course of the meeting that day, which facts, he said, held that Atlanta Laundries and Laundry and Dry Cleaning Service, Inc., together became owners of 50,000 shares of common stock of National Linen in 1928, and had not received a certificate evidencing ownership of 10,287 shares.

A copy of the above resolutions was prepared from BELFOR's signed copies of the original resolutions and has been designated as Exhibit XII of this report.

### III CONCLUSION

BELFOR stated that from information furnished by him in this matter that there is no doubt in his opinion that National Linen has indulged in monopolistic and restrictive practices in Georgia and elsewhere to prevent competition in the linen business; that price fixing and/or price wars have been nurtured and sponsored by National Linen in furtherance of its monopolistic hold on the industry, and that a conspiracy has in the past and is currently being perpetrated by SIDNEY W. SOUERS and others in connection with National Linen's operations wherever that concern and controlled companies operate.

### ENCLOSURES

To Bureau:

Exhibit I - One copy of Dun and Bradstreet, Inc. report dated May 28, 1952, Re: Atlanta Laundries, Inc., and Gold Shield Launderers & Dry Cleaners, Atlanta, Georgia.

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- Exhibit II - One copy of Dun and Bradstreet, Inc., supplemental report dated August 18, 1952, Re: Atlanta Laundries, Inc., and Gold Shield Launderers & Dry Cleaners, Atlanta, Georgia.
- Exhibit III - List of route men and route men supervisors of National Linen Service Corporation, Atlanta, Georgia, during employment of B. A. KESLER.
- Exhibit IV - One copy of sworn statement of THOMAS L. ELVINS dated May 17, 1952.
- Exhibit V - One copy each of eleven alleged representative restrictive agreements between employees, officers and stock holders of each of ten laundries merged into Atlanta Laundries, Inc. in January, 1928.
- Exhibit VI - One copy of rough draft computations of RUSSELL BAKER (not specifically identified as prepared by BAKER) in computing value of Atlanta Laundries, Inc. common stock in 1946.
- Exhibit VII - One copy of testimony taken in case of Atlanta Laundries, Inc. vs. GEORGE H. FAUSS and T. A. MARTIN, reflecting testimony of RUSSELL BAKER on Page 43.
- Exhibit VIII - One copy of portion of report of PHILIP WELTNER to stock holders of Atlanta Laundries, Inc., for year ended December 31, 1950.
- Exhibit IX - One copy of report of W. C. HUDSON, Treasurer, to stock holders of Atlanta Laundries, Inc., for year ended December 31, 1951.
- Exhibit X - One copy of Record of Transfers of National Linen Service Corporation, Canal Bank and Trust Company, New Orleans, Louisiana - Transfer Agent, dated November 16, 1928, etc., reflecting Certificates Surrendered and Certificates Issued,  
(2) One copy of sheet reflecting Boards of Directors of Atlanta Laundries, Inc., National Linen Service, Inc., and Laundry and Dry Cleaning Service, Inc., from August 23, 1928, to January 1, 1930.

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- Exhibit XI - One copy each, letter of HERBERT J. HAAS to SIDNEY W. SOUERS dated August 4, 1928, and letter of W. IRVING MOSS to SIDNEY W. SOUERS dated August 5, 1928; letter of SIDNEY W. SOUERS to B. C. MC CLELLAN dated November 14, 1928, together with Schedule of Expenses Incident to Organization of ~~National~~ Linen Service Corporation.
- Exhibit XII - One copy each of two resolutions filed by HARRY W. BELFOR at the annual stock holders meeting of Atlanta Laundries, Inc., on March 23, 1953.

- P -

ADMINISTRATIVE PAGE

For the Bureau's information the report of SA R. E. PETERSON of the Nashville Division, dated September 9, 1935, entitled "National Linen Service Corporation, Anti-trust", Atlanta file 60-15, reflects information was received from MOE PEAR, National Linen Supply Company, Nashville, Tennessee, that National Linen Service Corporation was violating anti-trust statutes through the monopoly of the linen business which monopoly was effected by mergers and unfair price cutting.

A copy of the above report was furnished to the Atlanta Office for informational purposes inasmuch as affiliated plants of National Linen Service Corporation were located within the Atlanta Division. No investigation was conducted by the Atlanta Office at that time.

[redacted]  
[redacted] voluntarily furnished the following information on a confidential basis to SA C. DALLAS MOBLEY [redacted]

[redacted] He advises that BELFOR has in the past [redacted] litigation against the Atlanta Laundries. [redacted]

[redacted] advised that BELFOR was honest and enjoyed a good reputation. He was of the opinion that BELFOR [redacted]

[redacted] had not been successful financially in the practice of law.

[redacted] described BELFOR as being a "fanatic" on the subject of fraud, who [redacted] has devoted himself to this one case involving the laundry industry. [redacted] was of the opinion that BELFOR was obsessed with the idea that fraud existed in this matter [redacted]

[redacted] was of the opinion that since BELFOR [redacted] had been in court on numerous occasions, that the matter was fully judicated and was being kept alive by BELFOR's fanaticism on the subject of fraud. [redacted] identity should not be divulged in connection with the above.

BELFOR, on one occasion following the meeting of the stock holders of Atlanta Laundries on March 23, 1953, stated to the reporting

AT 60-149

agent that he intended to bring a suit against National Linen one way or another, civilly or criminally. He stated that with a new administration in office the Department may now look favorably upon his complaints and institute appropriate action against National Linen.

It is pointed out that BELFOR during interviews was very enthusiastic and eager to present his allegations. He said that for 17 years this matter had been a personal crusade to which he had devoted countless days in developing the facts and accumulating evidence to prove to the Government, State or Federal, that violations of anti-trust statutes have been and are being perpetrated by National Linen and controlled companies.

On several occasions, according to his own statements after the initial interview with him on March 5, 1953, BELFOR undertook on his own initiative to intercede with the United States Attorney, Atlanta, Georgia, and others in an endeavor to gather additional documentary material to assist him in presenting his claims. These actions were taken by BELFOR after being advised by the reporting Agent that the F.B.I. did not intend at this time to contact other sources for additional information. BELFOR was reminded of the initial conversation with him on March 5, 1953, in which he was advised that this preliminary investigation was being conducted at the specific request of Acting Assistant Attorney General EDWARD P. HODGES, and that information desired would be confined to information that he could supply.

On March 11, 1953, BELFOR advised he had made numerous calls to officials of a local bank and to H. A. SPENCER of Atlanta Laundries in an endeavor to obtain additional documents or records he desired to produce to confirm certain information furnished by him. He stated further that when he had been refused the requested documents or records he had advised that the records were being requested to provide information for the F.B.I. He also stated that he asked the people contacted by him if they would make requested material available to a representative of the F.B.I. if such representative would accompany him to their offices.

BELFOR stated that if authority or instructions to delve further into the matter at this time was all that the Bureau needed, that he would personally telephonically make appropriate contact in Washington, D. C., to obtain such authority for the Bureau in writing.

AT 60-149

LEAD

ATLANTA DIVISION

At Atlanta, Georgia

Will conduct such additional investigation as the Bureau may direct.

REFERENCE

Bulet to Atlanta, 2/19/53.  
Atlanta air-tel to Bureau, 3/7/53.  
Butel to Atlanta, 3/9/53.  
Atlanta air-tel to Bureau, 3/9/53.  
Buair-tel to Atlanta, 3/10/53.  
Atlanta air-tel to Bureau, 3/12/53.  
Atlanta air-tel to Bureau, 3/23/53.  
Atlanta let to Bureau, 3/24/53.  
Buair-tel to Atlanta, 3/24/53.  
Atlanta let to Bureau, 3/27/53.  
Atlanta air-tel to Bureau, 4/6/53.

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

DATE: April 27, 1953

FROM : Mr. Rosen

SUBJECT: NATIONAL LINEN SERVICE CORPORATION  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Tolson	✓
Ladd	✓
Nichols	✓
Belmont	✓
Clegg	✓
Glavin	✓
Harbo	✓
Rosen	✓
Tracy	✓
Laughlin	✓
Mohr	✓
Winterrowd	✓
Tele. Rm.	✓
Holloman	✓
Gandy	✓

SYNOPSIS:

An Atlanta, Georgia, attorney who is the complainant in this matter has been interviewed pursuant to request of the Antitrust Division. The complainant alleges that National Linen Service Corporation has for many years organized and maintained a monopoly of the linen rental supply business throughout the South. The conspiracy to monopolize this industry allegedly originated about 1928. Admiral Sidney W. Souers, who was an aide to President Truman, is Chairman of the Board of subject company and according to complainant is one of the persons instrumental in effectuating the alleged monopoly. No investigation has been conducted to substantiate information furnished by complainant who has for years urged the Antitrust Division to proceed against subject. Results of investigation furnished to Antitrust Division and no further investigation will be conducted in the absence of an Antitrust Division request.

DETAILS:

By memorandum dated February 17, 1953, the Antitrust Division requested that the Bureau interview Harry W. Belfor, an Atlanta, Georgia, attorney who had earlier furnished information to the Department indicating a possible Antitrust violation on the part of the National Linen Service Corporation. It was indicated that Belfor claimed to have a great amount of material relative to his allegations and it was requested that we interview him to thoroughly explore the information he has and obtain any documentary evidence he might have in support of the allegations.

Briefly, Belfor alleged that captioned company and the persons controlling the company have been engaged in a conspiracy which originated in 1928 which has as its purpose the monopolization of the linen service industry throughout the southern part of the United States. This industry deals with loaning towels, sheets, coats, and other linens; collecting them after use; relaundering and redistributing them regularly.

JKP:enm

RECORDED

APR 30 1953

79 MAY 8 - 1953

Memorandum to Mr. Ladd

Subject company operates 45 plants in ten southern states and according to Belfor has succeeded in preventing the rise of competitors in this industry.

The complainant, Belfor, was interviewed by the Atlanta Office on various dates from March 5, through April 2, 1953, on a continuing day-to-day basis as he was available and a great amount of documentary material which he furnished was reviewed. Belfor alleges that Admiral Sidney W. Souers, who was an aide to President Truman, as Chairman of the Board of Directors of subject company is one of four persons primarily responsible for the conspiracy complained of. He stated that Admiral Souers originally became interested in the captioned industry in 1928, while he was an officer in a New Orleans bank which was used by subject company to handle the issuance of capital stock.

The only investigation requested by the Antitrust Division, namely, the interview of Belfor, has been completed and is set out in an Atlanta report dated April 13, 1953, which has been furnished to the Antitrust Division. The Antitrust Division intends to review the information and documents furnished by Belfor to determine whether any further investigation of his allegations is warranted.

ACTION:

This is for your information.

We will, of course, conduct no further investigation of this matter except upon the receipt of a request from the Antitrust Division.

*JHP gmc*

*JRM*

*[Signature]*



SAC, Atlanta (60-149)

June 10, 1953

Director, FBI (60-4325)

NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

RECORDED-80

EX. 121

60-4325-11

There is attached for each office a copy of an Antitrust Division memorandum dated June 4, 1953, requesting further investigation in the captioned matter. There are also enclosed letters addressed to the persons to be contacted requesting their cooperation in the investigation. A copy of the report of SA (A) J. Doyle Williams, dated 4/13/53 at Atlanta, containing necessary background information, is being furnished to Knoxville.

Atlanta is origin. All exhibits acquired during the investigation should be transmitted to the Bureau as enclosures to the investigative reports for transmittal to the Antitrust Division. All persons interviewed should be advised that the investigation is being conducted at the request of Assistant Attorney General Stanley N. Barnes of the Antitrust Division.

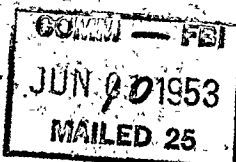
This matter should be assigned for immediate attention in order that reports reflecting the completion of the investigation can be submitted to reach the Bureau not later than July 3, 1953.

Attachment

cc: 2-Knoxville, with attachment

JKP:ige

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_



JUN 23 1953

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

DATE: JUN 4 1953

FROM : Stanley N. Barnes, Assistant Attorney General  
Antitrust Division

File: 60-202-M8

SUBJECT: Further Preliminary Investigation of the  
National Linen Service Corporation and  
the Linen Service Industry in the South

Mr. Telson \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
**RON MENT**  
Mr. Belmont \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
**1953** Mr. Glavin \_\_\_\_\_  
Mr. Harbo \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
**1958** Mr. Tracy \_\_\_\_\_  
Mr. Gearty \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Holloman \_\_\_\_\_  
Mr. Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

Referring to the report made by your agent J. Doyle Williams at Atlanta, Georgia, dated April 13, 1953, will you kindly arrange to have Joseph, Abner and Bernard Cohen interviewed, and documents of the Apex Linen Service Company examined, concerning the alleged illegal practices of National Linen Service Corporation, hereinafter called National Linen, as indicated at page 14 of that report.

Will you also kindly arrange to have B. A. Kesler interviewed, with reference to the alleged restrictive and monopolistic practices engaged in by National Linen Service Corporation, including the methods used by National Linen to compel competitors to sell out to it and to maintain prices set by National Linen, during the period of the employment of Kesler by National Linen from 1937 to June 1952, as indicated at page 15 of the above-mentioned report. Will you also please arrange to obtain the price lists of National Linen distributed to the trade through the National Association of Linen Suppliers, and all other documentary evidence in Mr. Kesler's possession, as indicated on page 15 of the said report.

Although the drivers under Mr. Kesler's supervision need not be interviewed at this time, Mr. Kesler should be requested to state his instructions to these drivers and the specific facts and incidents relating to each driver, indicating how each carried out Kesler's instructions and the restrictive and monopolistic practices of National Linen.

This office received a letter dated March 9, 1953, from J. H. Reddy, United States Attorney at Chattanooga, Tennessee, reading as follows:

Re: Joe Bonowitz Linen Service v. Chattanooga  
Linen Service (National Linen Service  
Corporation)  
Departmental Reference: EPH:VHK 60-202-0

RECORDED-80

EX. = 121

JUN 1953

~~EXPEDITE THE BUSINESS.~~

Sir:

Reference is made to our letter of February 9, 1953, and your reply thereto of February 19th, concerning the activities of the National Linen Service Corporation doing a subsidiary in this City.

Mr. I. S. Deitch visited this office again last week and stated that the Sales Manager of the Chattanooga Linen Service was continuing his efforts to take their customers away from them and mentioned specifically that this party had recently visited the Post Office Liquor Store and the Volunteer Billiard Hall where he offered the proprietors three months free service to change their accounts. It appears that upon being told by the Liquor Store proprietor that he was not interested in making a change the Sales Manager (Mr. LeGrand) asked him to "name his own figure".

Mr. Deitch is quite concerned about the activities of the National Linen Service and says that unless some action is taken to halt them at this time it will mean the termination of the Bonowitz Linen Service business. He states that their business is a small concern and is unable to stand the cut throat competition it is meeting. He is desirous of knowing whether something can be done immediately, through Court action, to restrain Chattanooga Linen Service because a long delay for conducting an investigation will afford the Chattanooga Linen Service an opportunity to accomplish their object, namely, to put Bonowitz Linen Service out of business.

Will you review this matter and advise me at the earliest possible time?

Will you kindly arrange to have Mr. I. S. Deitch, referred to therein, interviewed as to the restrictive and monopolistic practices of the Chattanooga Linen Service, a subsidiary of the National Linen Service Corporation, and obtain any evidence, documentary and otherwise, indicating each specific instance in which National Linen or its subsidiary, Chattanooga Linen Service, attempted to monopolize, restrict or eliminate any competitor in the linen service industry.

(3)  
14

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: July 2, 1953

FROM : SAC, KNOXVILLE (60-64)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTI-TRUST

Enclosed herewith is a report of Special Agent M. JAY HAWKINS, dated 7-3-53.

It would appear from information contained in this report that the Department may desire that Joe Bonowitz be interviewed by agents of the New York Office.

Three copies of this report are being retained in the Knoxville file in order that New York may be furnished copies in the event the Department desires that Bonowitz be interviewed.

MJH/mm

RECORDED-77

1 cc w/ 1 encl  
to Anti-trust Div  
7-7-53 JHP

160-4325-12

31 JUL 6 1953

62 JUL 20 1953

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **ATLANTA**

REPORT MADE AT <b>KNOXVILLE, TENNESSEE</b>	DATE WHEN MADE <b>7-3-53</b>	PERIOD FOR WHICH MADE <b>6-29-53</b>	REPORT MADE BY <b>M. JAY HAWKINS</b> <span style="float: right;">mm</span>
TITLE <b>NATIONAL LINEN SERVICE CORPORATION; LINEN SERVICE INDUSTRY IN THE SOUTH</b>			CHARACTER OF CASE <b>ANTI-TRUST</b>

**SYNOPSIS OF FACTS:** The vice-president of Joe Bonowitz Linen Service, Incorporated, Chattanooga, Tennessee states all information he has regarding Monopolistic Practices of Chattanooga Linen Service obtained by him from Joe Bonowitz or drivers for Bonowitz's company. Joe Bonowitz Linen Service purchased by National Linen Service Corporation on April 30, 1953.

- RUC -

**DETAILS:** This investigation is predicated upon a request made of the Bureau by Mr. STANLEY N. BARNES, Assistant Attorney General, Anti-Trust Division, on June 4, 1953 that I. S. DEITCH be interviewed regarding allegations made by DEITCH to United States Attorney, J. H. REDDY at Chattanooga, Tennessee concerning Restrictive and Monopolistic Practices of the Chattanooga Linen Service.

**AT CHATTANOOGA, TENNESSEE:**

I. S. DEITCH, Prairie Peninsula, advised on 6-29-53 that Joe Bonowitz Linen Service, Incorporated, a Tennessee Corporation capitalized at \$20,000.00 operated in Chattanooga, Tennessee from September 2, 1952 with the following officers and stockholders:

JOE BONOWITZ, President, Owner of 51% of the stock; EXPEDITE PROCESSING  
 I. S. DEITCH, Vice-President;  
 PAUL TOOHEY, Secretary, Owner of 10% of the stock;  
 Mrs. ANNA B. DEITCH, Trustee and owner of 39% of the stock.

The company, located at 63 West Main Street, Chattanooga, engaged in the rental of Linens, towels and uniforms, to various business concerns in and around Chattanooga, Tennessee from September 2, 1952 until April 30, 1953 on which date it was sold to the National Linen Service Corporation.

APPROVED AND FORWARDED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES DESTROYED 36 APR 10 1970 COPIES OF THIS REPORT 3 - BUREAU (60-4325) 2 - ATLANTA (60-149) 3 - KNOXVILLE (60-64) <i>1 cc antitrust Div 7/1/53 JKP</i>		ENCLOSURE <b>60-4325-112</b>	RECORDED - 75
		31 JUL 10 1953 <i>[Signatures]</i>	

PROPERTY OF FBI—THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE OF AGENCY TO WHICH LOANED.

Mr. DEITCH stated that at no time during the operation of the company, did it operate for profit. He attributed the failure of the company to operate on a profitable basis, first to a contract entered into between the Joe Bonowitz Linen Service with the Chattanooga Laundry, which contract provided that the Chattanooga Laundry would receive one third of the highest rental price for laundering linens and so forth. He stated because of the excessive laundering cost, his company could not operate profitably.

The second reason attributed by DEITCH for failure of the Joe Bonowitz Linen Service to operate at a profit was competitive practices of the Chattanooga Linen Service. He stated immediately after his company started operations, the Chattanooga Linen Service started the practice of attempting to obtain customers of the Joe Bonowitz Linen Service by making particularly attractive offers to the Bonowitz customers.

When asked for specific instances and details concerning such offers, he advised that he had no first-hand information concerning that practice due to the fact that he was not active in the company. He stated that most of the information he had received concerning competitive practices of the Chattanooga Linen Service was given to him by Joe Bonowitz, who is presently residing at the Cartaret Hotel, 23rd and 7th Avenue, New York City. Other information he had obtained from Bonowitz drivers GENE ABERCROMBIE, E. ROSS and DALE BONOWITZ. DEITCH stated he had furnished the United States Attorney, J. H. REDDY at Chattanooga with a list of names of customers of the Joe Bonowitz Linen Service who had been approached by representatives of the Chattanooga Linen Service in an attempt to persuade those customers to do business with the Chattanooga Linen Service.

Mr. J. H. REDDY, United States Attorney, advised he was contacted by I. S. DEITCH on February 2, 1953 and on that occasion DEITCH left with him a list of Joe Bonowitz customers who had been contacted by representatives of the Chattanooga Linen Service. This list contained notations concerning statements made by representatives of the Chattanooga Linen Service to customers of Bonowitz concerning offers made to those customers in an attempt to have them change their business from Bonowitz to the Chattanooga Linen Service.

This list was made available to the writer and in substance contains the following information:

Mr. WOMACK, Manager of the Chicken Shack, a restaurant, stated LeGRAND, a representative of the Chattanooga Linen Service, told him to come back to the Chattanooga Linen Service, that he would have to do so when the Chattanooga Linen Service forced Bonowitz out of business.

Mr. SCRUGGS of the Scruggs Bakery was offered a 20% discount on his service for a period of one year.

Thornberry Grocery discontinued service with Bonowitz and changed to Chattanooga Linen Service because the price of aprons was reduced from 8 cents to 7 cents and the price of coats was reduced from 25 cents to 20 cents.

The Chattanooga Elks Club was offered a 25% discount on their service retroactive for a period of one year. They were also offered reduced prices for the year of 1953. LeGRAND told BOB KING, Trustee for the Elks Club, that the Chattanooga Linen Service would either force the Bonowitz Company out of business within three to four weeks or would buy the company.

D. and W. Food Stores were offered cheaper prices and thirty days free service.

Willie's Super Market was advised that Bonowitz would be forced out of business and that he had better change back to the Chattanooga Linen Service while they were in a position to offer him a 15% discount.

BOB GREEN Restaurant, was offered a large discount and free service.

GEORGE SILAS, at the Maypole Restaurant was offered free service for a period of three months and 25% discount for a period of one year.

MIKE GULAS, Owner of Gulas Restaurant, was offered one years free service and a large discount.

GUS ELLIS, Owner of Ellis Restaurant, was offered \$800.00 if he would change his account from Bonowitz to Chattanooga Linen Service.

BETHEA, Owner of Bethea's Restaurant, was offered a sizeable discount.

CLYDE GREEN, of the Chattanooga Steak House, was offered free service and a large discount.

BEN TALLEY of the Talley Ho Restaurant was offered free service and a large discount.

FORREST KING, King's Cozy Corner Restaurant, was contacted at which time he was advised that the Chattanooga Linen Service would like to have the restaurant co-operative to stick with the Chattanooga Linen Service and he was asked to name his own price for service.

LEE KIBBLE, Owner of Kibble's Restaurant, was offered free

KX 60-64

service at a large discount.

Torch's Grocery, 763 East 9th Street, was advised that he had better accept a 15% discount as it might not be offered to him later because the Chattanooga Linen Service was going to force the Joe Bonowitz Company out of business.

- RUC -



KX 60-64

ADMINISTRATIVE PAGE

REFERENCE:

Bureau letter to Atlanta, copy to Knoxville, dated 6-10-53.

SAC, Atlanta (60-149)

July 13, 1953

Director, FBI (60-4325)

60-4325-13  
RECORDED-124  
EX-104  
NATIONAL LINEN SERVICE CORPORATION  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Rebulet June 10 and urlet July 6, 1953.

In view of the fact that your office has not afforded this matter investigative attention and since there is no assurance in your letter of July 6, 1953, that SA Williams will be able to handle this case in the immediate future, you are instructed to reassign this investigation to an experienced nonaccountant for immediate attention.

It would appear that another agent after reviewing the material received from the Department together with SA Williams' report of 4/13/53 should be able to complete this investigation in a short time without difficulty.

JKP:ige

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

COMM - FBI

JUL 13 1953

MAILED 31

79 JUL 21 1953

138  
U.S. DEPT. OF JUSTICE  
FBI  
RECEIVED JUL 13 1953

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

FROM : SAC, ATLANTA (60-149)

SUBJECT: NATIONAL SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

DATE: July 6, 1953

Rebulet to Atlanta dated 6/10/53.

This is to advise that Bureau deadline of July 3, 1953 will not be met.

It is desired to point out that Special Agent J. DOYLE WILLIAMS is currently engaged in expedite investigation of case entitled "Maryland Lumber Company, etal", "FAG", bufile 46-18163, Atlanta file 46-578, which will require an estimated twenty-five agent days to complete.

**EXPEDITE PROCESSING**

This matter will be afforded attention at the earliest possible time.

JDW:jeh

RECORDED-124

60-4325-13

JUL 8 1953

EX-104

As AT  
7/13/53 jeh6/13/53  
J. P. [signature]  
15

July 30, 1953

NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST  
(Department File 60-202-18)

RECORDED - 32

118

Reference is made to your memorandum dated June 4, the above-captioned matter.

In view of Mr. Cohen's attitude, no further contact will be made with the Apex Linen Company unless advised to the contrary by you. Upon the receipt of a report from our Atlanta Office covering the balance of the investigation, same will be forwarded to the Antitrust Division.

Enclosure

CAM: IGE

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

COMM - FBI  
JUL 30 1953  
MAILED 27

77 AUG 7 1953

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (60-4325) (AMSD)

DATE: 7/27/53

FROM : SAC, Atlanta (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION,  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

*Relate from copy to AD*

Instant case reassigned to SA EDWARD T. KASSINGER, who is an experienced agent. Investigation expected to be completed within two weeks.

Mr. JOSEPH COHEN, Treasurer, Apex Linen Service Company, 330 Edgewood Avenue, N. E., Atlanta, Ga., was contacted on 7/23/53. Mr. COHEN advised that his company had been formed in 1946 in Atlanta, Ga., subsequently becoming incorporated in Ga. in 1948. Mr. COHEN advised that since his company had first started in the linen service industry, it has experienced difficulty with the National Linen Service Corporation. Mr. COHEN said that as a result, approximately four years ago, he had discussed the tactics being used by the National Linen Service Corporation to suppress competition from Apex Linen Company, with Mr. J. ELLIS MUNDY, USA, for the NDGA, and with former USA, and former Federal Judge, M. NEIL ANDREWS. At that time, Mr. MUNDY indicated to Mr. COHEN that the Department of Justice already had "voluminous information" available concerning alleged malpractices by National Linen Service Corporation in violation of the Antitrust Statutes. According to Mr. COHEN, Mr. ANDREWS and Mr. MUNDY suggested to Mr. COHEN that he put his allegations in writing, and address them to either the Federal Trade Commission, or the Antitrust Division of the Department of Justice.

~~EXPEDITE PROCESSING~~

Mr. COHEN said that as a result he did write a lengthy letter to the Antitrust Division of the United States Department of Justice about four years ago, setting forth in detail specific instances of alleged violations of the Antitrust Statutes by National Linen Service Corporation, together with the names of alleged witnesses, and a listing of alleged documentary evidence

ETK:ml

RECORDED - 32

60-4325-114

EX - 118

31 JUL 28 1953  
8-3

Revised to AAG  
7-30-53

AT - 60-149

available in support of Mr. COHEN's allegations. Mr. COHEN stated that this letter was acknowledged by the Antitrust Division with an expression of interest, and a statement that Mr. COHEN would be contacted "in the near future" by a representative of the Department. Mr. COHEN stated that he has never been contacted in this regard by a representative of the Department of Justice until contacted in instant investigation on 7/23/53. Mr. COHEN said that therefore he concluded that instant investigation is based on some new complaint by some other individual or concern due to the lapse of time since Mr. COHEN made his complaint to the Department approximately four years ago. Mr. COHEN said that approximately five months ago the Apex Linen Service Company had again had difficulty with the National Linen Service, but that "after a bitter struggle things have gotten somewhere back to normal".

Mr. COHEN then stated, "The experience we had with National Linen is the experience numerous other suppliers have had throughout the country. We cannot let Apex Linen be in the position of furnishing information in this investigation now, while things are going along relatively smooth, because National Linen is too big, and another row with them would, or could break us. If you want to get information about the practices of National Linen in eliminating competitors, why not see people like JOE BONOWITZ in Chattanooga, who has already been driven out of business, and has nothing to lose by furnishing information".

Mr. COHEN was emphatic in stating that Apex Linen would like very much to see the alleged malpractices of National Linen Service curtailed by law, but insisted that Apex Linen could not afford to be, what he termed the "scapegoat" in such an investigation. Mr. COHEN was adamant in stating that he did not desire to furnish any information or records in connection with this investigation at the present time.

Mr. COHEN further advised that he planned on expressing himself, as outlined above, in a letter to Mr. STANLEY BARNES, Assistant Attorney General, in charge of the Antitrust Division.

AT - 60-149

In view of the above, no further investigation is being conducted with respect to contact of Apex Linen. The remaining lead to contact Mr. B. A. KESLER, in line with request set forth in Mr. BARNES letter to the Director, dated 6/4/53, will be covered, and reported at an early date.

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **ATLANTA**

REPORT MADE AT <b>ATLANTA</b>	DATE WHEN MADE <b>8-6-53</b>	PERIOD FOR WHICH MADE <b>7-23, 27, 28, 29-53</b>	REPORT MADE BY <b>EDWARD T. KASSINGER</b> <span style="float: right;">iat</span>
TITLE <b>NATIONAL LINEN SERVICE CORPORATION;                  LINEN SERVICE INDUSTRY IN THE SOUTH</b>			CHARACTER OF CASE <b>ANTITRUST</b>

**SYNOPSIS OF FACTS:**

Apex Linen Service Company, Atlanta, Ga., declined to furnish information or records. JOSEPH COHEN, Treasurer, Apex Linen, states that that company has had "difficulties" with National Linen Service in past, but declined to discuss instant matter, stating Apex presently experiencing satisfactory relations with National Linen and cannot afford to become involved in instant investigation for fear of reprisals by National Linen. Signed statement obtained from BRANSON A. KESLER, former route manager, Atlanta Linen Service, set out, relating his observations as to use price cutting, free service and other practices by National Linen in combating competition.

- C -

**DETAILS:**

**AT ATLANTA, GEORGIA**

Mr. JOSEPH COHEN, Treasurer, Apex Linen Service Company, 330 Edgewood Avenue, N.E., was contacted on July 23, 1953. Mr. COHEN advised that his company had been formed in 1946 in Atlanta, Georgia, subsequently becoming incorporated in Georgia in 1948.

Mr. COHEN advised that since his company had first started in the linen service business in Atlanta, it had experienced "difficulties" with the National Linen Service Corporation (and its local subsidiary, the Atlanta Linen Service). When asked to be specific as to the "difficulties" referred to above, Mr. COHEN stated that he was referring to the use of price cutting and free service offered by Atlanta Linen Service.

APPROVED AND FORWARDED:  <i>[Signature]</i>	SPECIAL AGENT IN CHARGE:  <b>287</b>	DO NOT WRITE IN THESE SPACES	
COPIES DESTROYED 36 APR 10 1970 3 BUREAU (60-4325) (AMSD) 3 ATLANTA (60-149) <b>63 AUG 25 1953</b> 8/13/53 by mem.		<b>160-4325-15</b> <b>37 AUG 10 1953</b> <b>17</b> <i>[Signature]</i>	<b>SE 18</b> <b>RECORDED-80</b>
		<i>[Signature]</i> STAN. RECH.	

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to ward off competition by Apex, or take away customers from Apex Linen. Mr. COHEN stated that he did not desire to go into detail in this regard. He explained that approximately four years ago, Apex Linen had had considerable "difficulty" with Atlanta Linen Service Company and the National Linen Service Corporation. Mr. COHEN stated that as a result he had prepared what he considered a detailed letter, addressed to the Anti-Trust Division of the U. S. Department of Justice, setting forth what he alleged were violations by National Linen Service of the Federal Antitrust Statutes. Mr. COHEN stated since that letter was written four years ago, nothing had been done by the Government and it had been necessary "to work things out the best we could". Mr. COHEN stated that about five months ago, Apex Linen again had "difficulty" with National Linen Service but that "after a bitter struggle things have gotten somewhere back to normal". Mr. COHEN then stated, "The experience we had with National Linen is the experience numerous other suppliers have had throughout the country. We cannot let Apex Linen be in the position of furnishing information in this investigation now, while things are going along relatively smooth, because National Linen is too big and another row with them would, or could, break us. If you want to get information about the practices of National Linen in eliminating competitors, why not see people like JOE BONOWITZ in Chattanooga, who has already been driven out of business, and who has nothing to lose by furnishing information".

Mr. COHEN stated that Apex Linen would like very much to see the alleged malpractices of National Linen Service curtailed but insisted that "Apex Linen cannot afford to be the scapegoat in such an investigation". Mr. COHEN was adamant in stating that he did not desire to furnish any information or records in connection with this investigation at the present time.

Mr. BRANSON A. KESLER, care of Best Cleaners, 1540 Gordon Street, S.W., Atlanta, Georgia, (residence 797 Indian Creek Drive, Atlanta, Georgia), was contacted on July 27, 28, and 29, 1953. Mr. KESLER furnished the following signed statement:

"July 28, 1953  
Atlanta, Ga.

"I, BRANSON A. KESLER, wish to furnish the following information to

AT 60-149

"Special Agent EDWARD T. KASSINGER of the Federal Bureau of Investigation of my own free will. I have been told by Mr. KASSINGER that Mr. STANLEY N. BARNES, Assistant Attorney General of the United States has requested that I be contacted in regard to my knowledge of alleged violations of the Federal Antitrust laws in the linen service industry.

"I was first employed by the Atlanta Linen Service, Atlanta, Ga. on Oct. 18, 1937. The Atlanta Linen Service is a division or subsidiary of the National Linen Service Corporation, Atlanta, Ga. I was first employed as a routeman in Atlanta, Ga. and vicinity from 1937 until 1939. From 1939 to April 7, 1943 (when I went into the U. S. Marines,) I worked as an out of town routeman, out of the Atlanta Office, covering various towns within the State of Georgia. In April, 1946, following my discharge from the U. S. Marine Corps, I resumed working for the Atlanta Linen Service. During 1946, I was made a route supervisor, supervising 8 routes, out of Atlanta, all of which routes were within the State of Georgia. I continued in this capacity for about 18 months when I was promoted to route manager. As route manager, I was in charge of all routes (56 in number) of Atlanta Linen Service and personnel on those routes. I remained in this capacity until February, 1952, when I was demoted to city salesman in the Atlanta area, continuing in this capacity until June, 1952, when I resigned.

"Around 1938 or 1939, I recall that Mr. JACK WELLS started a linen service business in Atlanta, Ga. known as Wells Linen Service. I was a routeman at the time. I recall that Mr. H. GROSS, Manager, Atlanta Linen Service, instructed us routeman, with respect to this new competition, that whenever we went into a customer's place and found competitor's linens, and, were told by the customer that he was changing from Atlanta Linen to a competitor's service, that we should leave Atlanta Linen's linens at the customer's place and call Mr. GROSS's office and make a report. Thereafter a salesman would contact the customer and offer 2 weeks to 30 days free service to keep the business and fight off the competition. As a routeman, I would know of the arrangement by reason of a small tab stapled to the customers billing record. As a result of the above method of fighting off this new competition by Wells, Wells had to go out of the linen service business within 9 months or about the end of 1939.

"At the end of this 9 months period, Atlanta Linen Service bought out Wells. As part of this arrangement to buy WELLS out, Atlanta Linen contracted with WELLS to be a city salesman in Jacksonville, Fla. for National Linen Service Corporation. As I recall, WELLS was left there about 18 months and then

"transferred to Ft. Worth, Texas as a sales manager. When his contract ran out about 2 years later, WELLS quit and returned to Athens, Georgia. In Athens, Ga., WELLS went into the Linen supply business. As I recall, Atlanta Linen Service had two trucks working the Athens territory at that time. Immediately after WELLS started his business in Athens, price cutting and free service were employed by Atlanta Linen in effort to fight off competition by WELLS. I am personally able to testify as to the price cutting and free service offered at Winder, Ga. to Atlanta Linen Service customers there in fighting off competition by WELLS. WELLS fought back and successfully and operated his linen service successfully up until he went into the armed services in about 1943. At that time WELLS sold his business to the Atlanta Linen Service with a proviso that WELLS would not re-engage in the linen service business indefinitely. WELLS is now in the dry cleaning and laundry business in Athens, Ga. and he is now Mayor of Athens. The above instance of practices by Atlanta Linen in eliminating competition is the only one I feel I know first hand.

"I would like to point out that Mr. LUTHER B. STEPHENS, who resigned from Atlanta Linen about the same time I did in 1952, was employed both as a driver and supervisor for 22 years by Atlanta Linen and could corroborate the statements made by me as to price cutting and free service policies employed by Atlanta Linen and National Linen in eliminating competition in the linen service industry. Mr. STEPHENS is now a real estate salesman for Alexander Real Estate Company, Glenwood Avenue, Atlanta, Ga.

"In this regard I would like to point out that STEPHENS could probably furnish information regarding the elimination of Cotton State Linen Service Company, Atlanta, Ga. as a competitor of Atlanta Linen Service in about 1943. I was not working in Atlanta at the time but STEPHENS was and would be familiar with the methods used by Atlanta Linen in eliminating competition by Cotton State Linen at that time.

"I recall that in about 1939, National Linen Service decided to go into Jacksonville, Fla. where there was one independent linen service operator. I do not recall this independent's name. At first, National Linen offered, on about two occasions, to buy this man's business but he refused to sell. From what I heard around the office (Atlanta Linen and National Linen had joint offices at the time), National Linen offered this man the alternative of accepting their purchase offer or face the possibility of meeting with price cuts and free service by National Linen out of Atlanta, Ga. As I recall, Mr. T. G. WARE, Assistant Auditor, National Linen handled these negotiations by National Linen, (WARE is now Secretary-Treasurer of National Linen). As I recall, National Linen finally bought out this independent, and, as part of the transaction, gave this man a contract job as Manager at Jacksonville for National Linen. This subsidiary is known as Jacksonville Linen Service.

AT 60-149

"this period. This policy was to the effect that Atlanta Linen Service was not to solicit or accept any customers of Apex Linen Service, Atlanta, Ga. or Independent Linen Service, Atlanta, Ga. The instructions which I received, and which in turn I passed on to my 8 supervisors and drivers, was to the effect that should one of these competitor's customers request service from Atlanta Linen Service that the customer should be told that the request would have to be passed on by the routeman to the office. When the routeman would call me and tell me he had received such a request, I would pass on the information to Mr. HANSON. HANSON would then immediately contact the competitor who had been serving that customer, and inform them of the request by the customer to switch from the competitor to Atlanta Linen Service. Each such "request" had to be "cleared" with the competitor in this manner. A list of such customers was maintained and it was the practice to "swap" customers who complained of service by one competitor, exchanging customers with another competitor.

"The above information, as set forth in this statement, is all the information I can recall concerning restrictive or monopolistic practices by the National Linen Service or the Atlanta Linen Service. I would also like to note that I do not have any price list available concerning National Linen, as such price lists were of limited distribution and restricted to office use. I do not know of any such price lists having been distributed through the National Association of Linen Suppliers by National Linen Service Company. I do not have any documentary evidence available. I am willing to testify to any of the facts set forth by me in this statement.

"I would like to point out also that although I have no documentary evidence available now, that I did turn over to Attorney HARRY BELFOR, Atlanta, a list, dated in 1951, showing price quotations on work broken down as to "Large Users" and "Small Users". These prices applied to the Atlanta Area only.

"I have read the above statement and is true to the best of my knowledge.

/s/ "BRANSON A. KESLER

"Witnessed

"EDWARD T. KASSINGER, FBI, Atlanta 7-29-53."

AT 60-149

REFERENCE: Report of SA J. DOYLE WILLIAMS dated April 13, 1953, at Atlanta.  
Atlanta letter to Bureau dated July 27, 1953.

Assistant Attorney General  
Stanley N. Barnes

August 14, 1953

Director, FBI

RECORDED-80

60-4325-16  
NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST  
(DEPARTMENT FILE 60-202-18)

There is attached a copy of the report of Special Agent Edward T. Kassinger dated August 6, 1953, at Atlanta, Georgia, which completes the investigation requested in your memorandum of June 4, 1953.

Harry W. Belfor, the original complainant in this matter, on July 29, 1953, requested the return of Exhibit VII listed on Page 29 of the report of Special Agent J. Doyle Williams dated April 13, 1953, at Atlanta. This item is described as "one copy of testimony taken in case of Atlanta Laundries, Incorporated, vs. George H. Fauss and T. A. Martin, reflecting testimony of Russell Baker on Page 43." If you will forward this exhibit, it will be returned to Belfor by the Bureau's Atlanta Office.

Please advise whether any further action is contemplated in this matter and whether any further investigation is desired.

Attachment

cc: 1-Atlanta (60-149)

(60-4325)

JHP

Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Gearty  
Mohr  
Winterrowd  
Tele. Room  
Holloman  
 Sizoo  
Miss Gandy

COMM - FBI

AUG 14 1953

MAILED 27

AUG 25 1953

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: August 6, 1953

FROM : SAC, ATLANTA (60-149)

AIR MAIL SPECIAL DELIVERYSUBJECT: NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Rerep. of SA J. DOYLE WILLIAMS (A), dated 4-13-53 at Atlanta.

Mr. HARRY W. BELFOR, Attorney, 179 Washington Street, S.W., Atlanta, Georgia, made a request on July 29, 1953, for the return of Exhibit VII, listed page 29 of rerep. This item is described as "one copy of testimony taken in case of Atlanta Laundries, Inc. vs. George H. Fruss and T. A. Martin, reflecting testimony of Russell Baker on Page 43".

Mr. BELFOR was advised that this item had been forwarded to the Antitrust Division and that Mr. BELFOR's request would be brought to the attention of the Antitrust Division by the Bureau.

ETK:iat

*Det. to [unclear] Barnes*  
*cc - [unclear]*  
*8-13-53*  
*8 KP*

~~EXPEDITE PROCESSING~~

RECORDED-80

160-4325-16

37 AUG 10 1953

*Pam [unclear]*  
*JFP*

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

DATE: Sept. 28, 1953

FROM : Mr. Rosen

SUBJECT: NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Tolson ✓  
Ladd ✓  
Nichols ✓  
Belmont ✓  
Clegg ✓  
Glavin ✓  
Harbo ✓  
Rosen ✓  
Tracy ✓  
Gearty ✓  
Mohr ✓  
Winterrowd ✓  
Tele. Room ✓  
Holloman ✓  
 Sizoo ✓  
Miss Gandy ✓

By memorandum dated April 27, 1953, you were advised that we had completed a preliminary investigation requested by the Antitrust Division concerning allegations that captioned company has organized and maintained a monopoly of the linen rental supply business throughout the South. It is alleged that this conspiracy to monopolize the industry originated about 1928, and that Admiral Sidney W. Souers, who was an aide to President Truman, is Chairman of the Board of subject company and one of the persons instrumental in effecting the alleged monopoly.

This is to advise that the Antitrust Division by memorandum dated September 22, 1953, has requested a full investigation of this matter. The investigation requested involves an extensive review of the books and records of the subject company and interviews of company officials at Atlanta, Georgia. The Antitrust Division has listed a considerable number of specific items which it desires to have covered relative to the operations of subject company from 1928 to date.

ACTION:

This is submitted for your information.

Instructions to conduct this investigation are going forward to the Atlanta Office today and Atlanta is being directed to afford this matter preferred and continuous attention to complete the investigation by October 19, 1953.

60-4325

JKP:lh

RECORDED - 93

160-4325-177  
SEP 30 1953

79 OCT 6-1953



## Office Memorandum • UNITED STATES GOVERNMENT

Mr. Tolson	
Mr. Ladd	✓
Mr. Nichols	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Gearty	
Mr. Mohr	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

TO : Director, Federal Bureau of Investigation

DATE: SEP 22 1953

FROM : Stanley N. Barnes, Assistant Attorney General  
Antitrust Division

File: 60-202-18

SUBJECT: Investigation of National Linen Service Corporation  
and the Linen Service Industry in the South.

In a memorandum to you dated February 17, 1953, this office requested the Federal Bureau of Investigation to conduct a preliminary investigation of the National Linen Service Corporation and the linen service industry in the South. You complied and submitted to us reports dated April 13, 1953, July 3, 1953, July 27, 1953 and August 6, 1953. As a result, a full scale investigation of the National Linen Service Corporation (hereinafter called National Linen) is indicated and is hereby respectfully requested.

Investigation Requested

The National Linen Service Corporation, Atlanta, Georgia, should be contacted and requested to permit your agents to conduct a full scale examination of its files. (A letter of request is submitted herewith).

Should access to the files be allowed, originals or photostatic copies of the following should be obtained:

- (a) Certificate of incorporation.
- (b) Names of Officers and Board of Directors.
- (c) List of all committees, sub-committees and special committees, if any, showing title of each, its members and its functions.
- (d) List (names and addresses) of all stockholders who have owned stock at any time from Aug. 29, 1928 to date, showing the amount of stock held by each, and the dates of such holdings.
- (e) Minutes of meetings of stockholders, Board of Directors, and all committees from Aug. 29, 1928 (the date of formation of National Linen) to date, pertinent to this investigation.
- (f) List (names and addresses) of salesmen, route managers, drivers of pick-up and delivery trucks who have been employed during anytime from Jan. 1, 1949 to date.

Memo Rec'd to Ladd

Let to Ladd, Atlanta

7/28/53 JRP

RECORDED - 17

EX-108

160-4325-18

25 SEP 23 1953

30

cc - Mr. Rosen  
with Ladd.

- (g) Instructions to salesmen and other employees with particular reference to competitors and the acquisition or loss of competitors from Jan. 1, 1949 to date.
- (h) List of any and all trade associations and organizations with which presently affiliated.
- (i) List of all companies National Linen has acquired by purchase, or purchase of assets at foreclosure or other sales, or otherwise from August 29, 1928 to date, including the names and addresses of the officers and directors of the acquired companies at the time of acquisition.
- (j) List of all companies engaged in any phase of the linen service business or laundry business in which National Linen, or any of its officers or directors have or have had since Aug. 29, 1928 any stock or other financial interest together with precise nature of the business of such companies and the extent of the stock or financial interest held therein.
- (k) Price lists, price changes with dates thereof, circulars and bulletins and all correspondence, interoffice memoranda, and other documents and writing pertaining to prices from 1945 to date.
- (l) Annual reports to stockholders from 1928 to date.
- (m) Forms of contracts with customers currently in use.
- (n) Contracts with labor unions currently in use.
- (o) Correspondence, interoffice memoranda, and all other records, documents and writings from 1945, except where otherwise indicated, to date pertaining to:
  - 1. Allocation of customers with other linen suppliers.
  - 2. Acquisition of customers from, or loss of customers to other linen suppliers.
  - 3. Division or designation of territory with other linen suppliers.
  - 4. Elimination or suppression of competition of other linen suppliers.
  - 5. Complaints made by other suppliers regarding loss of their business or customers.

6. Complaints made by its customers or the customers of other linen suppliers regarding change of supplier.
7. Complaints made by its customers of high prices, or poor service due to inability to change to or obtain another supplier.
8. Offers to customers by National Linen of cash payments, of free service for stated periods, of less than regular prices for services, or of special services in order to induce customers to leave competitors or to remain with National Linen.
9. Relationship with Consolidated Laundries, Inc., or other linen service companies in New York; with American Linen Supply Co., Inc., or other linen service companies in Chicago; with any other outstanding linen service company in any other part of the country.
10. Ownership of National Linen stock by Atlanta Laundries, Inc., or any of its officers, directors or stockholders from August 29, 1928 to date.
11. Suppression of Atlanta Laundries, Inc., from engaging in the linen service business at any time since August 29, 1928.
12. Any loans to or from any linen service or laundry company from August 29, 1928 to date.

Obtain, prepare or have prepared a list (names and addresses) of all competitors or alleged competitors in each city and state in which National Linen does business.

Also ascertain:

- (a) Gross annual business in dollars from 1945 to date.
- (b) Which plants serve customers located in states other than those in which the plants are located and the extent of such interstate operations.
- (c) Gross annual business in dollars for 1951, 1952 and 1953 with (1) customers located within the state in which each plant is located and, (2) customers located in states other than those in which the plant rendered the service is located.

- (d) Whether National Linen manufactures its own linens and laundry supplies or purchases them. If manufactured, the location of the manufacturing plants. If purchased, from whom they are purchased and from which plant of the manufacturer are they received.

As indicated in our memorandum to you dated Feb. 17, 1953, herein above referred to, National Linen maintains its main office in Atlanta, Georgia but operates at least 45 plants in 10 southern states, Georgia, North Carolina, Texas, Alabama, South Carolina, Tennessee, Florida, Kentucky, Louisiana and Virginia and in California. The files in Atlanta should contain information relating to each of National Linen's plants wherever situated. We desire to obtain the requested information, as and if it relates to National Linen as an entity or to any or all of National Linen's plants wherever situated.

This case is still in charge of Samuel Flatow, Room 3237, Department of Justice, Washington, D. C., who is available for any further information or instructions required by the Federal Bureau of Investigation herein.

BULKY EXHIBIT INVENTORY OF PROPERTY ACQUIRED AS EVIDENCE

Bufile:

*AK 8-19-53*  
Atlanta

Field Division

8/10/53

Date

Title and Character of Case:

① NATIONAL LINEN SERVICE CORP.  
② LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTI-TRUST

Date Property Acquired:

3/5/52 thru 4/2/53

Source From Which Property Acquired:

Interview with HARRY W. BELFOR  
578 Parkway Dr., NE, Atlanta, Ga.

Location of Property or Bulky Exhibit:

Bulky Exhibit Cabinet

Reason for Retention of Property and  
Efforts Made to Dispose of Same:

Investigative aid, retained per  
Departmental request

Description of Property or Exhibit and  
Identity of Agent Submitting Same:

SA J. DOYLE WILLIAMS

Miscellaneous notes and copies of documents pertaining to National Linen  
Corp. and subsidiaries

*10-4320*  
NOT RECORDED  
29 AUG 21 1953

Field File #: 60-1190

52 SEP 4 1953  
3 - Bureau  
2 - Atlanta

SAC, Atlanta (60-149)

September 28, 1953

RECORDED - 17  
Director, FBI (60-4325) - 18

**NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST**

There are attached two copies of an Antitrust Division memorandum dated September 22, 1953, requesting further investigation in this matter. There is also attached a letter addressed to the subject company requesting the company's cooperation.

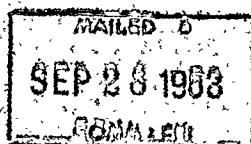
All persons interviewed are to be advised that the investigation is being conducted at the request of Assistant Attorney General Stanley N. Barnes of the Antitrust Division. The fact that they were so advised need not be set out in reports.

You are instructed to assign this matter to an Agent experienced in the handling of Antitrust cases for preferred and continuous attention. The Agent handling the case should be given as much assistance by other Agents as the nature of the work being done will permit. Initial contact with the subject company should be made at once and the Bureau advised of the attitude of the company relative to furnishing the material desired by the Antitrust Division. A report reflecting the completion of the investigation is to be submitted to reach the Bureau not later than October 19, 1953. The case should be maintained in a pending status until the Antitrust Division indicates the disposition to be made of this matter.

Attachment

JKP:lh

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_



82 OCT 9 1953

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

ATLANTA

REPORT MADE AT <b>ATLANTA</b>	DATE WHEN MADE <b>10-1-53</b>	PERIOD FOR WHICH MADE <b>9-25-53</b>	REPORT MADE BY <b>EDWARD T. KASSINGER</b> <span style="float: right;">bd</span>
TITLE <b>NATIONAL LINEN SERVICE CORPORATION LINEN SERVICE INDUSTRY IN THE SOUTH</b>			CHARACTER OF CASE <b>ANTITRUST</b>

**SYNOPSIS OF FACTS:**

J. JOSEPH COHEN, Treasurer, Apex Linen Service Company, Atlanta, made complaint concerning current activity of Atlanta Linen Service Company, subsidiary of National Linen Service Corporation, in alleged restraint of trade.

- P -

**DETAILS: AT ATLANTA, GEORGIA**

Mr. J. JOSEPH COHEN, Treasurer, Apex Linen Service Company, 330 Edgewood Avenue, N.E., Atlanta, Georgia, contacted the Atlanta Office on September 25, 1953, at which time he personally prepared the following signed statement:

"Atlanta, Ga.  
Sept. 25, 1953

"I, J. Joseph Cohen, wish to furnish the following information to Special Agent Edward T. Kassinger of the Federal Bureau of Investigation. The information set forth below is the truth to the best of my knowledge and belief.

"We have had the account with Leb's Restaurant located at Luckie & Forsyth Sts., Atlanta, Ga. since about 15 March 1953. At the time we began to service this named account, our competitor was incensed to the point of going around to customers that we served and offered various inducements to so that they would discontinue our service and take Linen Service from our competitor. (Atlanta Linen Service - a division of National Linen Service, Inc).

APPROVED AND FORWARDED:  <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
		60-14325-19	RECORDED-34
COPIES OF THIS REPORT		OCT 5 1953	
3 Bureau (60-4325)		COPIES DESTROYED	
3 Atlanta (60-149)		36 APR 20 1970	
100 ATD 10/15/53 QKP/shm			

PROPERTY OF FBI - THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE OF AGENCY TO WHICH LOANED.

OCT 23 1953

AT 60-149

"These inducements took the form of:

1. Free service
2. Lower prices (far below a profit level for anyone)
3. Discounts on prevailing prices that depressed the final sales to a non-profit figure

"During the next two months we lost several accounts to our competitor because of the practices outlined above.

"In May a truce was informally declared and since then until 21 September 1953 there has appeared no such practice that prevailed before.

"On Monday Sept 21, Louis Linkow, manager of Atlanta Linen Service, told my brother, B. R. Cohen, and myself that because of some influential friends of the major stockholders of National Linen, they had a great deal of influence with the owner of Lebs Restaurant and thru the influence of these friends (Mr. Harry Duraskin and Mr. Oscar Durosikin) that Lebs wanted to change the account from us to National linen. And he further stated that if the account was switched, he was willing to buy some of the special linen requirements from us that we had prepared for this account. We told Mr. Linkow that if he was successful in switching this account, we would be willing to sell him the special linen that we had. But that we were going to do everything in our power to maintain this account.

"The next afternoon, the steward at Lebs, Mr. Joe Seideman, called our office and notified my brother, Abner Cohen, that National Linen had installed their linen in Lebs Restaurant and for us not to deliver our linen any more. He claimed that Mr. Linkow told him and Norman Lebedin that we told Mr. Linkow that we were too small to handle the Lebs account; that we did not want the account; that the account was too much trouble to us for what we got out of it; that we wanted him to take the account and relieve us of our investment in this account and the trouble that it caused us. It was on this statement of 'misfacts' that the decision to change linen companies was made. When we apprised Mr. Lebedin that this was a fabricated story, he was quite upset. We took Mr. Lebedin to our plant and visually showed him that we were capable and competent to handle his account properly. We then decided in order to rectify the situation to have a meeting at his office and have Mr. Linkow repeat his claim while I was present so that I could refute these false claims. This meeting was held on Wednesday, Sept. 23, 1953 at which time Mr. Linkow claimed he was misunderstood and that he had never made such claims. He did say at this meeting that this account meant more to him than just dollars and cents. That the having of this account was a sore spot in his company between the big officials and himself and that if he lost this account after having reinstalling same, that it was



AT 60-149

"going to be too bad for somebody. I asked him, 'just who do you mean that it is going to be too bad for.' His only reply was that when someone stepped on his toes, he kicked hard.

"Being guided by past experiences, I know, or rather feel like, that a new war is about to begin. Our company cannot afford such practices that have been employed before, whereas National Linen can afford to lose money at one locale and make it up at 40 of their other plants.

"The facts that I have outlined above are true to the best of my knowledge.

"J. Joseph Cohen  
Treasurer  
Apex Corporation

"Atlanta, Ga.  
September 25, 1953

"Witnessed  
Edward T. Kassinger, FBI, Atlanta, Ga. 9/25/53"

- P -

AT 60-149

ADMINISTRATIVE PAGE

Bureau letter to Atlanta dated 9-28-53 received subsequent dictation. This report is being submitted as pending instead of closing particularly in view of the fact that the Department might be interested in the information in this report.

REFERENCE:

Bureau letter dated 9-28-53 to Atlanta.  
Report of SA EDWARD T. KASSINGER at Atlanta dated 8-6-53.

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Hendon	_____
Mr. Pennington	_____
Mr. Quinn	_____
Mr. Nease	_____
Miss Gandy	_____

*Rehn*

*Ponder*

Transmit the following Teletype message to:

FBI, ATLANTA

10-16-53

DIRECTOR, FBI (60-4325)

AIR-TEL

NATIONAL LINEN SERVICE CORPORATION, LINEN SERVICE INDUSTRY IN THE SOUTH, ANTITRUST. REBULET TO ATLANTA DATED SEPT. TWENTYEIGHT, LAST. INVESTIGATION IN PROGRESS. HOWEVER, IN VIEW OF EXTENSIVE PERIOD TO BE COVERED BY INVESTIGATION AND VOLUMINOUS RECORDS TO BE EXAMINED, DEADLINE OF OCT. NINETEEN, NEXT CANNOT BE MET. REPORT EXPECTED TO EMANATE FROM ATLANTA BY NOV. TWELVE, NEXT.

CARSON

END

JDW:iat  
60-149

G. I. R. - 3

RECORDED - 101

60-4325-20  
13 OCT 20 1953

Approved: \_\_\_\_\_

Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

7194 79 OCT 28 1953

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325) (AMSD)

DATE: 10/29/53

FROM : SAC, ATLANTA (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION,  
LINEN SERVICE INDUSTRY IN THE SOUTH,  
ANTITRUST

Re Bureau letter to Atlanta dated September 28, 1953.

For the information of the New York and New Orleans Divisions, investigation of the National Linen Service Corporation, whose home office is located at 445 Highland Avenue, N.E., Atlanta, Georgia, was instituted as a result of a request to the Bureau by the Department of Justice on September 22, 1953 to conduct a full-scale investigation into alleged violation of the Anti-trust Statute.

National Linen Service Corporation was organized August 20, 1928 under the laws of the state of Delaware and during the intervening years has expanded its operations from one small plant in Atlanta, Georgia, to many outlets including all southern states and extending from California to Virginia.

The Department has specifically requested that a list of all stockholders who have owned stock at anytime from the date of organization to date, showing the amount of stock held by each and the dates of such holdings, be obtained.

Submitted as enclosures to the New York and New Orleans Divisions are letters of authorization from the subject company dated October 27, 1953, signed by T. G. WARE, Secretary - Assistant Treasurer of the corporation, to be submitted to the Registrar and Transfer Company, New York City, the Chase National Bank, New York City, and the National Bank of Commerce, New Orleans, Louisiana, who are or were corporation's Registrar and Transfer Agents in addition to the First National Bank, Trust Company of Georgia, and the Citizens and Southern National Bank, all of Atlanta, Georgia.

JDW:lb

1 - New York (2-encl.)

1 - New Orleans (1-encl.)

RECORDED - 72

~~EXP. PROC.~~

60-4325-21

OCT 30 1953

F57

NOV 5 1953

6-Parker

AT 60-1149

In the event the National Bank of Commerce at New Orleans is not in possession of pertinent stock records, an endeavor should be made to determine the location of such records as T. G. WARE, Secretary, Assistant Treasurer, National Linen Service Corporation, advises he has been unable to locate such records to date.

Upon completion of investigation, each office should forward stock lists obtained to the Atlanta Office in order that control and continuity of stock lists as well as exhibits to be submitted can be maintained.

It is further requested that the list of stock holders of the common and preferred stocks specifically show the name of the stock holder, date stock acquired, certificate number, and the number of shares represented by each certificate.

Any problems encountered in this regard should be commuted to the Bureau for instructions.

Attention is invited to the fact the original dead line in this matter was October 19, 1953. Investigation should be expedited and results of investigation made available to the Atlanta Office on or before November 9, 1953, in order that a report may be submitted to reach the Bureau by November 12, 1953. Should it not be possible to obtain the requested data on or before November 9, 1953, each office should advise the Bureau and the Atlanta Office of the date requested information may be expected.

RECORDED-62

60-4325-22

SAC, Atlanta (60-149)

November 5, 1953

Director, FBI (60-4325)

NATIONAL LINEN SERVICE CORPORATION;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Reurlet 10/30/53.

The desirability of photographing the contents of the 300 files relating to companies acquired by National Linen and the necessity for obtaining the names and addresses of all route men, salesmen and route managers were discussed with Antitrust Division Attorney Samuel Flatow. Mr. Flatow advised that it would not be necessary to copy all documents contained in these 300 files but that such files should be identified and described in your report in such a manner that they can be examined at a later date or subpoenaed if this matter is presented to a Grand Jury. He requested that National Linen be informed that we do not wish to make copies of all documents in these files at this time but may desire to make such copies at a later date. Flatow requested that in connection with the review of these 300 files the agents identify and obtain copies of any correspondence or other material of particular significance to the investigation.

In connection with the problem of identifying and listing the names and addresses of route men, salesmen and route managers, Flatow advised that it would be satisfactory to set out the identity of all route managers and salesmen and of those route men identified during the investigation who may be potential Government witnesses. In reviewing the files of National Linen, the agents should attempt to identify those route men who have served accounts taken away from competitors.

The agents presently handling this investigation should continue to afford it their undivided attention in order to complete the investigation without unnecessary delay. You should keep the Bureau advised of your progress in completing the investigation.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

NOTE: The problem of identifying some 1468 employees of the subject company and copying all documents contained in approximately 300 files was presented in referenced Atlanta letter and was discussed with Antitrust Division Attorney Samuel Flatow on November 3, 1953.

63 NOV 12 1953 EHW

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: October 30, 1953

FROM : SAC, ATLANTA (60-149)

AIR MAIL SPECIAL DELIVERYSUBJECT: NATIONAL LINEN SERVICE CORPORATION  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

ReBulet to Atlanta dated September 28, 1953, Departmental letter to Bureau dated September 22, 1953, and Atlanta air-tel to Bureau dated October 16, 1953.

Set forth herein is the current status of investigation requested by the Department in referenced letter together with comments and observations.

The status of each part of investigation is set out in accordance with the breakdown of the Department's letter and each phase as stated therein will not be repeated here:

- (a) Completed
- (b) Completed
- (c) No action has been taken in this regard. This data is available and can be obtained within one hour.
- (d) Letters of authorization have been obtained from National Linen Service Corporation for presentation by Bureau Agents to Transfer Agents and Registrars for the common and preferred stocks of the corporation in New York City (2), New Orleans, Louisiana (1), and Atlanta, Georgia (3) for access to all stock records as far back as registry is available. Time required to obtain this data can not be estimated until a determination can be made as to the accessibility of such records and whether mailing lists to stock holders contain all data required.
- (e) All minutes of National Linen and Linen Service Corporation of Texas (merged with National Linen in 1947) reviewed and photographs of pertinent records completed October 28, 1953.

JDW:iat

RECORDED-62

60-4220-22

NOV 11 1953

6-11-53



AT 60-149

- (f) National Linen operates 45 plants and pays its employees weekly. Investigation entails preparation of schedules and examination of approximately 10,800 pay rolls for the five year period requested. National Linen employs approximately 6,000 people in all plants. This total as relates to the investigation is broken down as follows:

1178	Routemen
100	Salesmen
190	Route Managers

Total 1468

One agent is handling this assignment and has completed a two year period on seven plants. It is estimated 36 working days of one agent will be required to complete this job.

- (g & h) No action taken. Estimated one-half day to one day will be required to complete.
- (i) Identity of companies and year acquired has been listed. Names of owners, officers, and/or directors are not readily accessible and will require a review of approximately 300 contract and agreement files to determine the identity of such owners, officers, and/or directors. It is estimated five work days of one agent will be required to review and set out the above information.
- (j) No action taken. This would appear to entail the interview of various officers and directors of National Linen as no specific information in this regard has been found (with some exceptions) in the minutes and correspondence reviewed to date. Minutes in some instances reflect the purchase of stock by various officers and directors over a period of time. However, it is not believed to be inclusive enough to be of value to the over-all picture.
- (k) No action taken. Estimated one day required to assemble data after all records located.
- (l, m & n) One-third complete. Estimated one-half day required to separate and assemble data.



AT 60-149

- (o) Review approximately one-half completed. Estimated ten working days of one agent required to complete review.

On page three of the Department's letter is the following, "Obtain, prepare or have prepared a list (names and addresses) of all competitors or alleged competitors in each city and state in which National Linen does business". A letter has been forwarded to all National Linen Plants by T. G. WARE, Secretary-Assistant Treasurer of National Linen, for this data.

- (a) Completed

- (b,c & d) No action taken. It is estimated one day's work of one agent will be required to complete.

This case until October 28, 1953, has been handled by two agents on a continuing basis who have been supplemented by one or two agents as available on a day to day basis. Four agents are now assigned to the case, two of which are new agents.

Investigation as outlined by the Department in referenced letter, if all possible phases of the matter that may arise are handled in the detail and scope requested, will require the full time of the four agents assigned 45 to 50 working days to complete, which time would include preparation of dictation, preparation of exhibits, and dictation of the report.

It is not feasible with the present case load and complement of agents in this office to assign more personnel to this case and meet deadlines in other matters.

It is suggested that the Bureau give consideration to contacting Mr. SAMUEL FLATOW of the Department, who is handling this case, relative to coming to Atlanta for one or two days at an early date to discuss this case with the agent to whom assigned and to review a sampling of contracts, purchase agreements, and restrictive agreements on file at National Linen to determine if it is essential to photograph the contents of approximately 300 files relating to companies acquired by National Linen and as to whether it is essential that names and addresses of all routemen, salesmen, and route managers for the pertinent five year period be obtained.

It is believed a thorough comprehensive investigation can still be effected after such conference with Mr. FLATOW and with a saving of time and funds for both the Bureau and the Department.

NOVEMBER 16, 1953

AIRTEL

AIR MAIL

SAC, ATLANTA

60-4325-26  
NATIONAL LINEN SERVICE CORPORATION, ET AL. ANTITRUST.

REAIRTEL NOVEMBER 13. ASSUMING THAT THE PROBLEM PRESENTED

IN REAIRTEL APPLIES TO ITEM J ON PAGE 2 OF ANTITRUST MEMORANDUM

DATED SEPTEMBER 22 LAST. YOU SHOULD DEVELOP THE INFORMATION

REQUESTED IN SO FAR AS POSSIBLE FROM RECORDS OF THE COMPANY

AND INTERVIEW OF OFFICERS. YOUR REPORT SHOULD INDICATE THE

MANNER IN WHICH THE INFORMATION WAS OBTAINED IN ORDER THAT THE

ANTITRUST DIVISION CAN, IF IT DESIRES, REQUEST FURTHER INVESTI-

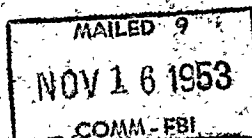
GATION REGARDING STOCK OWNERSHIP BY EARLIER OFFICIALS AND

DIRECTORS OF THE COMPANY.

HOOVER

BUFILE 60-4325

JKP:baf



58 NOV 19 1953

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Mr. Tolson \_\_\_\_\_  
Mr. **FD-36** \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Harbo \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Egan \_\_\_\_\_  
Mr. Gurnea \_\_\_\_\_  
Mr. Hendon \_\_\_\_\_  
Mr. Jones \_\_\_\_\_  
Mr. Quinn \_\_\_\_\_  
Mr. Nease \_\_\_\_\_  
Mr. Gandy \_\_\_\_\_

VIA AIR MAIL

Transmit the following Teletype message to:

FBI, ATLANTA 11-13-53 - 9:50 AM 60-149  
DIRECTOR, FBI URGENT

① NATIONAL LINEN SERVICE CORP., ET AL, ANTITRUST. PERSONAL  
STOCK HOLDINGS FOR RECENT YEARS OF DIRECTORS WEINSTEIN,  
WEINBERG AND JACOBS, REPORTEDLY AVAILABLE THROUGH T. G. WARE,  
SECRETARY-ASSISTANT TREASURER OF NATIONAL LINEN. HOWEVER,  
DATA REGARDING OTHER OFFICERS AND DIRECTORS, TOGETHER  
WITH STOCK HELD BY MEMBERS OF THEIR FAMILIES AND RELATIVES,  
POSSIBLY CONTROLLED BY OFFICER AND/OR DIRECTOR, NOT AVAILABLE  
FROM RECORDS. IT WOULD APPEAR TAX RETURNS PROBABLY WILL  
NOT REFLECT LISTING OF INVESTMENTS OF OFFICERS AND DIRECTORS  
EACH YEAR, UNLESS THERE WAS INCOME DERIVED FROM INVESTMENTS.  
REQUEST BUREAU CONSIDER CONTACTING MR. FLATOW, OF THE  
DEPARTMENT, THIS REGARD AND SUTEL ACTION DESIRED. IT IS  
NOTED SEVERAL OFFICERS AND DIRECTORS SINCE INCEPTION OF  
NATIONAL LINEN IN NINETEEN TWENTYEIGHT ARE DEAD, AND  
WHEREABOUTS OF OTHERS UNKNOWN.

END

HAWKINS

RECORDED - 22

EX-127

Approved: Hosk  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

60-4522-26  
25 NOV 24 1953

Mr. Rosen

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (60-4325)

DATE: November 13, 1953

FROM : SAC, Atlanta (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORP.;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

This is to advise investigation in this matter is approximately half completed.

Effort is being exerted looking forward to possible submission of a pending report containing the bulk of pertinent data obtained, on or before December 11, 1953.

JDW/ds

RECORDED - 87

NOV 16 1953

EX-104

53 NOV 20 1953

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (60-4325)

FROM : SAC, New Orleans (60-48)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION, ET AL  
ANTI-TRUST

DATE: November 6, 1953

Re Atlanta letter to Bureau dated October 29, 1953.

On November 3, 1953, Mr. FRANCIS DOYLE, Vice President in Charge, Trust Department and Mr. JOHN FLAD, Auditing Department, National Bank of Commerce, Baronne Street, New Orleans, Louisiana, advised that the National Bank of Commerce acted as transfer agent for the National Linen Service Corp. of Atlanta, Georgia from May 20, 1933 to late August or early September of 1937. The National Bank of Commerce was discharged as transfer agent at that time and the Trust Company of Georgia at Atlanta was appointed the new transfer agent.

The National Bank of Commerce was appointed transfer agent on May 20, 1933 when the Canal Bank and Trust Company of New Orleans went into liquidation. The Canal Bank, which is still in liquidation, was the original transfer agent for the National Linen Service Corp. from the time of its establishment in 1928.

It was determined that the original stock transfer records of the National Bank of Commerce were presently in custody of the Canal Bank and Trust Company, in liquidation, room 1206, National Bank of Commerce Building.

A letter dated October 27, 1953, from Mr. T. G. Ware, Assistant Treasurer and Secretary of the National Linen Service Corp., originally addressed to the National Bank of Commerce, was provided to Mr. JOHN F. FINKE, Receiver, Canal Bank and Trust Company, in liquidation, and Mr. N. T. DRESSEL, employee. These men advised that the Canal Bank and Trust Company had been in liquidation under the laws of the State of Louisiana since May of 1933. Mr. FINKE pointed out that under the state laws, as Receiver, he was responsible only for the assets of the Canal Bank and Trust Company and not for the records except for possession.

He stated that the stock transfer records of the Canal Bank and Trust Company and of the National Bank of Commerce had been tied up in litigation in Federal Court in New Orleans for a period of four or five years. The question before the court, as he understood it, was one of division of shares of common stock in the National Linen Service between a company known as the Atlanta Laundry in Atlanta and the Crescent City Laundry in New Orleans. He stated this question had been resolved and the records of stock transfer were now in his possession. He stated that the details of litigation were

FAS:acd

cc: Atlanta

63 NOV 16 1953

RECORDED-27

EX-127

NOV 10 1953

6-60-114

343

NO 60-48

not known to him, but he believed the officials of the National Linen Service Corp. could provide information regarding this matter if pertinent.

Mr. DRESSEL made available to SA FRANK A. SASS, JR., of this office, 147 sheets listing the identity of all owners of stock and transfers thereof for the National Linen Service Corp. as follows:

1. Records of transfer of the National Linen Service Corp., Canal Bank and Trust Company, New Orleans, Louisiana, transfer agent for the period November 16, 1928 to April 13, 1933, covering certificate numbers 1 through 367.
2. Records of transfer of National Linen Service Corp., National Bank of Commerce, transfer agent for the period July 14, 1933 to August 31, 1937, certificate numbers 368 through 750.

Photographs of these documents were made by a photo record camera and have been forwarded to the Bureau, attention Mechanical Section, for development and subsequent transmittal to Atlanta.

The records have been returned to the Canal Bank and Trust Company, in liquidation, where they are expected to remain indefinitely.

No additional investigation is being conducted at this time, the matter being RUC.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

NOV 3 1953

TELETYPE

FBI ATLANTA 11-3-53 11-48AM WGR  
DIRECTOR FBI AND SACS NEWYORK AND NEW ORLEANS URGENT

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Hendon	_____
Mr. Jones	_____
Mr. Quinn	_____
Mr. Nease	_____
Tele. Rm.	_____
Mr. Holloman	_____
Miss Gandy	_____

NATIONAL LINEN SERVICE CORP., ETAL, ~~ATXX~~-ANTITRUST.

RE AT LET TO BUREAU OCT TWENTYNINE LAST. NY DISCONTINUE.  
COMPLETE RECORDS RE PREFERRED AND COMMON STOCK OF NATIONAL  
LINEN SERCICE CORP., REPORTED AVAILABLE ATLANTA BANKS BACK  
TO NINETEEN THIRTYSEVEN. SUGGEST NO OBTAIN COPY OF STOCK  
RECORDS NATIONAL BANK OF COMMERCE BY PHOTO RECORD CAMERA  
AS WILL BE DONE ATLANTA.

HAWKINS

END

ACK PLS

WA11-51<sup>7</sup> AM OK FBI WA FCH

NY 11-51 AM OK FBI NYC JJG

NO OK FBI NO BCVVBV

NOV 13 1953

Mr. Rosen

RECORDED-39

EX-125

NOV 4 1953

SAC, NEW ORLEANS (60-48)

NOVEMBER 24, 1953

RECORDED-65

DIRECTOR, FBI (60-4325)-27

EX-102

NATIONAL LINEN SERVICE CORPORATION, ET AL  
ANTI-TRUST

REGISTERED MAIL

Reference is made to your letter dated November 5, 1953, transmitting one 25-foot roll of 35mm film pertaining to the above-captioned matter.

In accordance with your request, the film has been developed and one print of each document has been prepared. The prints together with the negatives are being forwarded to the Atlanta Office.

cc: Atlanta (60-149)

Attachment

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

RCR:jw

NOV 24 1 28 PM '53

RECEIVED

715982 force with attach.

COMM - FBI

NOV 24 1953

MAILED 31

79 NOV 20 1953



## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (60-4325) ATTENTION: MECHANICAL SECTION

DATE: November 5, 1953

FROM : SAC, New Orleans (60-48)

REGISTERED MAIL

SUBJECT: NATIONAL LINEN SERVICE CORPORATION, ET AL  
ANTI-TRUST (21)

Re Atlanta letter to Bureau dated October 29, 1953.

Enclosed, herewith, is one 25 foot roll of exposed 35 millimeter microfilm of the following documents totaling 147 items:

1. Records of transfer of the National Linen Service Corp., Canal Bank and Trust Company, New Orleans, Louisiana, transfer agent for the period November 16, 1928 to April 13, 1933, covering certificate numbers 1 through 367.
2. Records of transfer of National Linen Service Corp., National Bank of Commerce, transfer agent for the period July 14, 1933 to August 31, 1937, certificate numbers 368 through 750.

It is requested that this film be developed and copies of photographed documents be forwarded to the Atlanta Division in connection with the instant anti-trust investigation being conducted by the Atlanta office.

It is not necessary that New Orleans receive copies of these documents.

FAS:acd

cc: 1- Atlanta

Ack. Mech. Sec.

NOV 24 1953

EXP. PROC.

RECEIVED  
DEVELOPED  
PRINTED  
MAGNETIC  
COPIED  
INSPECTED

RECORDED-65

EX-10

NOV 20 1953

412

## Office Memorandum

UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: 11/12/53

FROM : SAC, ATLANTA (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORP.;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Submitted under separate cover are three rolls of exposed micro-film, one roll 34.50, \$5 A, and \$5 B, preferred stock records of National Linen Service Corp., as reflected by records of the First National Bank, Atlanta, Ga., transfer agent for the corporation's preferred stocks.

Film also record transfer sheets for the preferred stocks, together with miscellaneous documents.

For the information of the Laboratory, additional rolls of film will be forwarded for processing in the near future and it is requested that particular attention be afforded letters of transmittal; returning developed film to the Atlanta Office in order that proper identity and control of the large volume of records can be readily maintained and exhibits prepared.

It will be noted film have previously been forwarded to the Laboratory by the Atlanta and New Orleans Division.

JDW:sj

1 - package

Ack. Mech. Sec.

NOV 24 1953

RECEIVED  
DEVELOPED  
PRINTED  
ENLARGEMENTS  
COPIED  
INSPECTED

WGH 11/17/53

RECORDED - 72

RECEIVED  
FBI  
NOV 18 1953

NOV 18 3 32 PM '53

NOV 18 1953

DEC 1 1953

1-2-3

416

*Jm*  
SAC, ATLANTA (60-149)

NOVEMBER 24, 1953

RECORDED - ~~7~~

DIRECTOR, FBI (60-4325) - 28

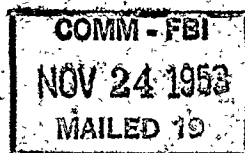
NATIONAL LINEN SERVICE CORP.;  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

REGISTERED MAIL

Reference is made to your letter dated November 12, 1953, transmitting three rolls of film pertaining to the above-captioned matter.

In accordance with your request, the film has been developed and the prints together with the negatives are being forwarded to your office under separate cover.

*JW*  
Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin **HCR: jw**  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_



## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (60-4325)

DATE: October 29, 1953

FROM : SAC, Atlanta (60-149)

REGISTERED MAIL  
RETURN RECEIPT REQUESTEDSUBJECT: NATIONAL LINEN SERVICE CORPORATION  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

ATTN: FBI LABORATORY

Rebulet to Atlanta dated September 28, 1953.

Submitted under separate cover are four rolls of exposed microfilm which record pertinent sections of minutes of the National Linen Service Corporation, Atlanta, Georgia and related documents.

It is requested that one copy of each negative be made and returned to the Atlanta Office at an early date, it being noted the original deadline in this matter was October 19, 1953.

JDW:jjd

CC: PACKAGE (REGISTERED)

Ack. Mech. Sec.

NOV 24 1953

RECORDED - 72

NOV 24 1953

52 DEC 1 1953

DECEMBER 7, 1953

AIRTEL  
AIR MAIL

SAC, ATLANTA (60-149)

NATIONAL LINEN SERVICE CORPORATION, ET AL; ANTITRUST.

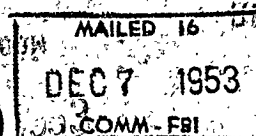
EX-115 ADVISE BY RETURN AIRTEL DATE REPORT COMPLETING INVESTIGATION  
WILL REACH BUREAU. EXPEDITE COMPLETION.

(Bufile 60-4325)

HOOVER

JKP:jrj

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Géarty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_



## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: 12-1-53

FROM : SAC, ATLANTA (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Mr. Tolson	
Mr. Ladd	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Mohr	
Mr. Trotter	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

For the Bureau's information, SIDNEY W. SOUERS, Chairman of the Board of Directors, National Linen Service Corporation, Atlanta, Georgia, was interviewed on November 30, 1953, by SA J. DOYLE WILLIAMS concerning his stockholdings in National Linen Service Corporation since 1928 as well as stock holdings in any other laundry or linen business.

During the interview with Mr. SOUERS, who was also a Presidential Adviser to former President TRUMAN, an Admiral in the Navy, and reportedly head of CIA during World War II, he mentioned his personal acquaintance with the Director and expressed the highest regard for him through his association with him personally in recent years. Mr. SOUERS was very complimentary of the Bureau's work and had high praise generally for all agents he had come in contact with during his official contact with the Bureau. Mr. SOUERS further specifically commented that he also had numerous contacts with Mr. LADD and Mr. NICHOLS and again voiced his appreciation for cooperation he had received through the years from these Assistant Directors. Mr. SOUERS made a point of the fact he had been invited to speak before the National Academy's Graduating Class of 1951 and of the honor bestowed upon him by the invitation to speak on this occasion.

It will be noted that investigation of National Linen Service Corporation was instituted upon the request of the Department of Justice following allegations received by the Atlanta Office in March, 1953, from HARRY W. BELFOR, Atlanta, Georgia, who alleged Federal Antitrust laws have been and are continuing to be violated by National Linen Service Corporation, its officers, some stockholders, and others. National linen and controlled companies were reported to have indulged in monopolistic and restrictive practices in Georgia and elsewhere to prevent competition in the linen

JDW:SIB

RECORDED - 10

60-4325-30

DEC 2 1953

EX-115

File AT  
12/7/53  
JLH

AT 60-119

business by price fixing and/or price wars and by a conspiracy that has in the past and is currently being perpetrated by SIDNEY W. SOUERS, I. M. WEINSTEIN, J. B. JACOBS, and A. J. WEINBERG. This group of directors and officers formed the original nucleus of National Linen which was formed in 1928.

This information is furnished in view of the apparent personal relation of Mr. SOUERS with the Director and in view of the fact that SOUERS is the head of National Linen Service Corporation which has been the subject of investigation during the past six weeks.

SAC, Atlanta (61-145)

December 6, 1953

Director, FBI (62-1222)

RECORDED - 706-4/325-31

EX-102

URGENT, 12/6/53  
FBI ATLANTA  
TO DIRECTOR  
FROM ATLANTA (61-145) (P)  
MURKIN

Reference is made to your letter dated December 1, 1953, transmitting nine rolls of 16mm film pertaining to the above-captioned matter.

In accordance with your request, the film has been developed. The developed film is being returned to your office under separate registered envelope.

- Tolson \_\_\_\_\_
- Ladd \_\_\_\_\_
- Nichols \_\_\_\_\_
- Belmont \_\_\_\_\_
- Clegg \_\_\_\_\_
- Glavin \_\_\_\_\_ RCR:ijp
- Harbo \_\_\_\_\_
- Rosen \_\_\_\_\_
- Tracy \_\_\_\_\_
- Gearty \_\_\_\_\_
- Mohr \_\_\_\_\_
- Winterrowd \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holloman \_\_\_\_\_
- Sizoo \_\_\_\_\_
- Miss Gandy \_\_\_\_\_

*JKP*

DEC 8 1953  
FBI ATLANTA

*Egan*

*Reid*  
*OS*

MAILED 9  
DEC 8 - 1953  
COMM-FBI

63 DEC 14 1953  
77



## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325) ATTN: FBI LABORATORY DATE: 12-1-53

FROM : SAC, ATLANTA (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION  
LINEN SERVICE INDUSTRY IN THE SOUTH  
ANTITRUST

Submitted under separate cover are nine rolls of exposed micro film which record common stock records of the National Linen Service Corporation as reflected by records of the Trust Company of Georgia, Atlanta, Georgia, transfer agent for the corporation's common stock.

It is requested that development of these film be completed at an early date inasmuch as material recorded on instant film will be pertinent to the preparation of the investigative report in this matter.

JDW:SIB

1 - Package

RECEIVED  
DEVELOPED  
PRINTED  
ENLARGEMENTS  
COPIED  
INDEXED

RECORDED - 70  
EX-102

12-8-53  
P.C.R. 80  
60-4325-31

1-3-4-5-6-7-WJH

2-8-69 R.P.

427

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Transmit the following Teletype message to:

FBI, ATLANTA (60-149)

DIRECTOR, FBI (60-4325)

A I R T E L

NATIONAL LINEN SERVICE CORPORATION, ET AL: ANTITRUST. REBUAIRTEL TO  
ATLANTA, 12/7/53. INVESTIGATION AT NATIONAL LINEN WILL BE COMPLETED  
DURING CURRENT WEEK, HOWEVER, DUE TO VOLUMINOUS MATERIAL RECORDED ON  
FILM WHICH HAS ALREADY BEEN FORWARDED TO THE BUREAU FOR DEVELOPING,  
AND ADDITIONAL FILM TO BE FORWARDED TO THE LABORATORY WHICH WILL HAVE  
TO BE ASSEMBLED INTO EXHIBITS ON RETURN TO ATLANTA, A DATE THE INVE-  
STIGATIVE REPORT WILL REACH THE BUREAU CANNOT BE ESTIMATED WITH ANY  
REASONABLE ACCURACY AT THIS DATE. IT WILL BE NOTED THAT A TOTAL OF  
16 ROLLS OF RECORDAK FILM HAVE BEEN PREVIOUSLY FORWARDED TO THE LAB-  
ORATORY FOR DEVELOPING. IN ADDITION TO FILM FROM THE NEW ORLEANS  
DIVISION. TO DATE ONLY THE NEW ORLEANS FILM AND 7 ROLLS OF FILM  
SUBMITTED BY THIS OFFICE HAVE BEEN RETURNED BY THE LABORATORY. IT  
IS ESTIMATED THAT 4 ADDITIONAL ROLLS OF FILM WILL BE SUBMITTED TO THE  
LABORATORY FOR PROCESSING DURING THE CURRENT WEEK. CONTINUED ATTEN-  
TION WILL BE DEVOTED TO THIS CASE AND EVERY EFFORT WILL BE MADE TO  
SUBMIT A REPORT AT THE EARLIEST MOMENT. THE BUREAU WILL BE ADVISED  
THE DATE REPORT WILL EMANATE WHEN ALL EXHIBITS HAVE BEEN RETURNED  
FROM THE LABORATORY.

HAWKINS

END

DJW:sj

Approved: 366  
Special Agent in Charge

DEC 16 1953

RECORDED - 78

37 DEC 10 1953

Sent \_\_\_\_\_ M Per \_\_\_\_\_

11- my hands

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: 12/9/53

FROM : SAC, ATLANTA (60-149)

ATTN: FBI LABORATORY

SUBJECT: NATIONAL LINEN SERVICE CORPORATION  
LINEN SERVICE INDUSTRIES IN THE SOUTH  
ANTITRUST

Submitted under separate cover are six rolls of exposed micro film which record agreements, price lists, and miscellaneous documents of the National Linen Service Corporation.

The above film completes the photographing of National Linen records.

It is requested that development of these film be completed at an early date as preparation of the investigative report in this matter is contingent upon receipt of the material recorded thereon.

JDW:sj

1 - package

*ack* *Meek* *See*  
12-17-53  
*GD*

RECEIVED  
DEVELOPED  
PRINTED  
ENLARGEMENTS  
GIVEN  
PREPARED

*J.C.B.*  
*R.P.*  
*J.A.K.*

RECORDED-77

DEC 14 1953

33  
*R.C.H.*  
*g*

438

Best Available Copy

SAC, Atlanta (66-149)

December 17, 1953

Director, FBI (60-4325)

RECORDED-77

66-4325-33

NATIONAL LEXIS SERVICE CORPORATION  
KIDNAP SERVICE INDICATORS IN THE SOUTH  
INTEREST

Reference is made to your letter dated December 9, 1953, transmitting  
air mail of where film pertaining to the above-captioned matter.

In accordance with your request, the film has been developed and is  
being returned to your office under separate cover, via registered mail.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

RGR:ijp

COMM - FBI

53 DEC 29 1953

MAILED 31

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

FROM : SAC, ATLANTA (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION, ET AL  
ANTITRUST

DATE: January 4, 1954

Re Atlanta air-tel to Bureau dated 12-9-53.

This is to advise submission of the investigative report in this matter has been delayed inasmuch as prints of film recording pertinent data obtained during the course of investigation, which were submitted to the Laboratory for processing, inadvertently were not made. Fifteen rolls of developed microfilm are being returned to the Laboratory today to have prints made.

The Bureau will be advised when the above prints have been returned to this office and the date a report will emanate.

JDW:iat

to Jot.  
RECORDED - 64

EX-127

60-4325-34  
JAN 3 1954

SAC, Atlanta (60-149)

January 15, 1954

Director, FBI (60-4325)

*af*  
NATIONAL LINEN SERVICE CORPORATION, ET AL.  
ANTITRUST

Your letter dated January 4, 1954, indicated that the submission of a report in this matter has been delayed because prints of the film which you forwarded to the Laboratory were inadvertently not made. You indicated that the fifteen rolls of developed film were being returned to the Bureau on the same date to have prints made.

Your attention is called to the fact that your letters dated December 1 and December 9, 1953, which transmitted these fifteen rolls of film to the Bureau, requested "that development of these films be completed at an early date . . . ." These letters did not request that prints be made from this film and forwarded to your office.

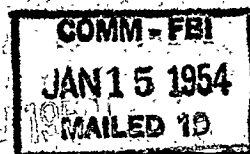
Future requests for the processing of film sent to the Bureau by your office should clearly indicate whether it is desired that the film be developed or that the film be developed and prints therefrom in certain sizes be forwarded to your office.

It is expected that the prints made from film forwarded by your office will be forwarded to you from the Bureau about January 21. You will be expected to forward a report in this matter at the earliest possible date subsequent to the receipt of such prints in your office.

JKP RECORDED - 69

60-4325-35  
JAN 18 1954  
130

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_



SAC, Atlanta (60-149)

January 21, 1954

Director, FBI (60-4325)

60-4325-36

NATIONAL LIFE & SERVICE CORPORATION, ET AL  
ANTITRUST

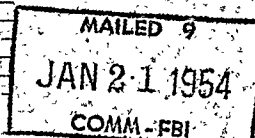
RECORDED-84

Reference is made to your letter of January 4, 1954, transmitting fifteen rolls of developed microfilm, pertaining to the above-captioned matter.

In accordance with your request, the Laboratory has prepared one 8 x 10 print of each negative. The negatives together with the prints are being forwarded to your office, under separate cover, via railway express.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gandy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

ROR:jms



58 JAN 27 1954

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI ATTENTION: FBI LABORATORY  
 FROM: *NAB* (60-4325)  
 SAC, ATLANTA (60-149)

DATE: January 4, 1954

AIR MAIL SPECIAL DELIVERY

SUBJECT: NATIONAL LINEN SERVICE CORPORATION, ET AL  
ANTITRUST

(14)

Submitted under separate cover are fifteen rolls of developed microfilm previously processed by the Laboratory.

It is requested that the Laboratory prepare one 8 x 10 print of each negative.

It will be noted that prints of the above negatives which will be exhibits to the investigative report are vital to the preparation of the report. It is requested that instant film be expeditiously handled and returned immediately to the Atlanta Office in order that the report may be submitted at the earliest possible time in keeping with Bureau instructions.

JDW:iat

CC: Package (REGISTERED MAIL)

~~EXP. PROC.~~

↑

RECORDED-84

60-4325-36

EX-103

ack. mch 1-21-54

JAN 6 1954

RECEIVED  
 DEVELOPED  
 PRINTED  
 ENLARGEMENTS  
 COPIED  
 INSPECTED

8739  
*[Signature]*

*[Handwritten initials and marks]*

427  
 438



Roll #1 1-1 thru 1-199 um ✓

Roll #2 2-1 thru 2-145 - ck ✓

Roll #3 3-1 thru 3-201 - C ✓

Roll #4 4-0 thru 4-189 - C ✓

Roll #5 5-1 thru 5-190 - ck ✓

Roll #6 6-1 thru 6-74 - C ✓

Roll #7 7-1 thru 7-807 - um ✓

Roll #9 9-1 thru 9-890 - ck ✓

Roll #10 10-1 thru 10-797 - C.L. ✓

Roll #12 12-1 thru 12-804 um ✓

Roll #8 (CIRCLED 8) 8-1 thru 8-807 B.K.E. ✓

Roll #14 14-1 thru 14-797 - um ✓

Roll #11 11-1 thru 11-794 - C ✓

Roll #13 13-1 thru 13-815 - ck ✓

Roll #14 14-1 thru 14-797 - um ✓

Roll #15 15-1 thru 15-730 - C.L. ✓

subject:

known:

to:

RECEIVED

RECEIVED BY REMAINS SECTION

RECEIVED (1-1-10)  
(6-1-10)

RECEIVED BY REMAINS SECTION

DATE: 10-10-10

Office Memorandum • UNITED STATES GOVERNMENT

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: February 16, 1954

FROM : SAC, ATLANTA (60-149)

SUBJECT: NATIONAL LINEN SERVICE CORPORATION,  
ETAL  
ANTI TRUST

For the Bureau's information, the Atlanta Journal-Constitution dated February 14, 1954, carried an article reflecting that I. M. WEINSTEIN, President and Director of National Linen Service Corporation, died at his residence in Atlanta, Georgia on February 13, 1954.

JDW:jeh

RECORDED-42 60-4325-37

FEB 17 1954

51 FEB 23 1954

270

7/12/53

FD-36

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

FBI, ATLANTA (60-149)

2-6-54

Transmit the following Teletype message to:

DIRECTOR, FBI (60-4325) ATTN: FBI LABORATORY

NATIONAL LINEN SERVICE CORPORATION, ETAL., ANTITRUST. RE ATLANTA

LETTER TO BUREAU 10-29-53 AND ATLANTA AIRTEL TO BUREAU 12-9-53.

A REVIEW OF THE FILE AND SEARCH OF EXHIBITS REFLECTS THAT OUT OF  
TOTAL OF 22 ROLLS OF MICROFILM SUBMITTED TO LABORATORY FOR  
DEVELOPMENT, THE FIRST 4 ROLLS SUBMITTED BY REFERENCED LETTER  
HAVE NOT BEEN RETURNED TO THIS OFFICE. RETURN RECEIPT ON FILE  
THIS OFFICE REFLECTS ERNEST COOPER SIGNED FOR QUESTIONED FILM IN  
BUREAU 11-2-53. LABORATORY IS REQUESTED TO ENDEAVOR TO LOCATE  
QUESTIONED FILM AND EXPEDITE DEVELOPMENT AND MAKING OF ONE 8 BY 10  
PRINT OF EACH NEGATIVE. REPORT DICTATED EXCEPT SECTION PERTAINING  
TO DOCUMENTS ON QUESTIONED 4 ROLLS OF FILM.

HAWKINS

END

2/11/54  
Called SAC Hamburg  
Lmd.

see ser 32

RECORDED-89

160-4325-38

FEB 19 1954

EX-126

Mr. Rosen

Approved: [Signature]  
Special Agent in Charge

58 FEB 26 1954

Sent \_\_\_\_\_ M Per \_\_\_\_\_

Mr. Tolson	
Mr. Ladd	✓
Mr. Nichols	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Mohr	
Mr. Trotter	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

JDW: BD

AIRTEL

AMS

Atlanta

[Signature]

**FD-36**

Mr. Tolson  
Mr. Ladd  
Mr. Nichols  
Mr. Belmont  
Mr. Clegg  
Mr. Glavin  
Mr. Harbo  
Mr. Rosen  
Mr. Tracy  
Mr. Mohr  
Mr. Trotter  
MR. DIRECTOR  
Tele. Room  
Miss Gandy  
REFERENCE

2-13~~4~~54

**AIRTEL**

ATTN: ASST. DIRECTOR  
D. M. HADD

D. Tele. RADT

Miss Gandy  
REFERENCE

END

**Approved:**

Special Agent in Charge

JDW:jjd

RECORDED-89

OF THE EMPLOYEE  
160-4325-39  
ITS RETURN TO THIS  
FEB 19 1954

EX-126

CO: MR. ROSEN  
AND SUPERVISOR  
INVESTIGATIVE DIVISION

*Whe*

FEDERAL BUREAU OF INVESTIGATION

UNITED STATES DEPARTMENT OF JUSTICE

FD-36	Mr. Tolson	
	Mr. Ladd	
	Mr. Nichols	
	Mr. Belmont	
	Mr. Clegg	
	Mr. Glavin	
	Mr. Harbo	
	Mr. Rosen	
	Mr. Tracy	
	Mr. Egan	
	Mr. Gurnea	
	Mr. Hendon	
	Mr. Pennington	
	Mr. Quinn	
	Mr. Nease	
	Miss Gandy	

*22*  
*Fe*  
*Egan*  
*Pennington*  
*6*

Transmit the following Teletype message to:

FBI ATLANTA

DIRECTOR, FBI (60-4225)

AIR-TEL

*2-19-54 AT*  
*RS to*  
*226 ch*

NATIONAL LINEN SERVICE CORPORATION, ET AL, ANTITRUST. ATTENTION ASSISTANT DIRECTOR D. M. LADD. REFERENCE TELEPHONE CALL OF ASST. DIRECTOR D. M. LADD TO THE ATLANTA OFFICE 2-10-54. THIS IS TO ADVISE ARRANGEMENTS MADE WITH T. G. WARE, SECRETARY-ASSISTANT TREASURER, NATIONAL LINEN SERVICE CORPORATION, RELATIVE TO REPHOTOGRAPHING CERTAIN CORPORATE RECORDS PERTINENT TO THIS INVESTIGATION ON 2-23-54. THESE FILM WILL BE IMMEDIATELY SUBMITTED TO LABORATORY FOR APPROPRIATE HANDLING. REPORT WILL BE SUBMITTED AS SOON AS PRINTS FROM THESE FILM HAVE BEEN RETURNED TO ATLANTA OFFICE.

HAWKINS

END

JDW:LCH  
60-1149

Mr. Rosen

RECORDED - 15

60-4325-41  
FEB 23 1954

60 MAR 1 1954

Approved: *Hawkins*  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (60-4325)

DATE: 2-24-54

FROM: *Walt* SAC, ATLANTA (60-149)SUBJECT: NATIONAL LINEN SERVICE CORP.  
ET AL.  
ANTITRUST*(C)*

ATTN: MECHANICAL SECTION

Submitted as an enclosure to this letter is one partial roll of microfilm which records pertinent portions of records of National Linen Service Corp.

It is requested that one 8 X 10 print of each negative be made and returned to the Atlanta office immediately.

CC: PACKAGE (REGISTERED MAIL, RETURN RECEIPT REQUESTED, AMSD)

JDW:pf

RECEIVED

DEVELOPED

PRINTED

ENLARGEMENTS

LOFTED

REPRODUCTION

*35*  
*R.A.*  
*120-10090C*  
*PR*

RECORDED - 5

MAR 11 03 AM '54

U.S. DEPT. OF JUSTICE

RECEIVED - COMMUNICATIONS SECTION

MAR 11 1954

*60-4325*  
*Walt Lee*  
*3/3/54*  
*JS*

*Reminded*  
*Re L*  
*Walt*

EX-112  
PROC

RECORDED - 5506, Atlanta (60-149)

March 3, 1954

60-4325-42  
Director, FBI (60-4325)

*g*  
NATIONAL LINEN SERVICE CORP.  
ET AL  
ALPHATRUST

Reference is made to your letter dated February 24, 1954, transmitting one partial roll of microfilm, pertaining to the above-captioned matter.

In accordance with your request, one 8 X 10 print of each negative has been prepared. The negatives together with the prints are being forwarded to your office under separate registered cover. In addition, one photographic print and the negatives of the four rolls of film submitted with your letter dated October 29, 1953 are being sent to you by registered mail.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gearty \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

RCR:jms

*RCR*  
COMM - FBI

MAR 3-1954

MAILED 27

*77*  
60 MAR 10 1954

FEDERAL BUREAU OF INVESTIGATION

UNITED STATES DEPARTMENT OF JUSTICE

FD-36

Mr. Tolson  
Mr. Boardman  
Mr. Belmont  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Harbo  
Mr. Mohr  
Mr. Winterrowd  
Tele. Room  
Mr. Holloman  
Miss Gandy

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten mark]*

Transmit the following Teletype message to:

FBI, ATLANTA (60-149)

3/10/54

DIRECTOR, FBI (60-4325)

AIRTEL

NATIONAL LINEN SERVICE CORPORATION, ET AL, ANTITRUST. J. JOSEPH COHEN, TREASURER, APEX LINEN SERVICE COMPANY, 330 EDGEWOOD AVE., N. E., ATLANTA, GA., TELEPHONICALLY CONTACTED THE ATLANTA OFFICE TODAY AND ADVISED HE DESIRED TO CONTACT THE DEPARTMENT TELEPHONICALLY CONCERNING CAPTIONED COMPANY TODAY IN VIEW OF CURRENT AND PAST ACTIVITY OF NATIONAL LINEN WHICH HE BELIEVES ARE DIRECTED AT ELIMINATING HIM AS A BUSINESS COMPETITOR. IN RESPONSE TO COHEN'S QUESTION AS TO THE NAME OF THE ATTORNEY HANDLING THIS CASE IN WASHINGTON, COHEN WAS REFERRED TO MR. SAMUEL FLATOW, OF THE DEPARTMENT. IT IS EXPECTED THE INVESTIGATIVE REPORT IN THIS CASE WILL EMANATE FROM THIS OFFICE ON MARCH 12, 1954.

HAWKINS

END

JDW:sj

*3-11-54  
V.H. Kramer  
+ 57 Antitrust Div  
Advised JHP*

RECORDED-45

60-4325-43  
Mr. Rosen

MAR 11 1954

EX. - 104

Approved: *[Signature]*

Special Agent in Charge

Sent \_\_\_\_\_ M

Per \_\_\_\_\_

20 MAR 17 1954